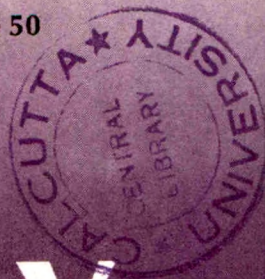


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# Analytical MONTHLY REVIEW

Vol. 11, No. 1

April 2013

₹30.00

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## **Editorial**

The unchecked, arbitrary, power of police and armed forces operating internally has been familiar to the great majority in India from the days of the Raj to our supposedly "postcolonial" present. Yet, variations in intensity and scope of the impunity and the arrogance of power are of great importance. First and foremost in terms of suffering and injustice, but also as a marker of progress toward, or regression from, the hegemonic (that is to say, consensual) power sought by our rulers in the guise of "rule of law". The decades that have followed the neoliberal "reform" have seen an aggravation of police and gendarme abuse and impunity all over India, but most markedly in the North Eastern states, especially in Manipur, and in Jammu and Kashmir. Fake encounter, disappearance, rape, torture, death in custody, are a part of daily life in these regions. Brave resistance from broad sections of the unarmed populace has been continuous. When spectacular official atrocities result in intense agitation, in the normal course commissions and committees are formed to mitigate the protests. And, as regularly, the recommendations of the committees or commissions are ignored. For example, the committee

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## REVIEW OF THE MONTH

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# Marx, Kalecki, and Socialist Strategy

John Bellamy Foster

A historical perspective on the economic stagnation afflicting the United States and the other advanced capitalist economies requires that we go back to the severe downturn of 1974–1975, which marked the end of the post-Second World War prosperity. The dominant interpretation of the mid-1970s recession was that the full employment of the earlier Keynesian era had laid the basis for the crisis by strengthening labor in relation to capital.<sup>1</sup> As a number of prominent left economists, whose outlook did not differ from the mainstream in this respect, put it, the problem was a capitalist class that was “too weak” and a working class that was “too strong.”<sup>2</sup> Empirically, the slump was commonly attributed to a rise in the wage share of income, squeezing profits. This has come to be known as the “profit-squeeze” theory of crisis.<sup>3</sup>

*Monthly Review* played a key role in introducing a radical variant of the “full-employment profit squeeze” perspective in the United States by publishing, as its Review of the Month in October 1974, Raford Boddy and James Crotty’s seminal article “Class Conflict, Keynesian Policies, and the Business Cycle.”<sup>4</sup> This article highlighted the well-known fact that wages and unit labor costs normally rise near the peak of the business cycle, signaling the collapse of the boom. The authors went on, however, to suggest that the increase in the wage share at full employment accounted to a considerable extent for the major economic decline then occurring. “Capitalists,” they wrote, “have more than their class instinct to tell them that sustained full employment is manifestly unsound.... [T]he maximization of profits makes it necessary to avoid sustained full employment.” In doing so they contrasted their views to those of the great Polish Marxian economist Michał Kalecki, along with Josef Steindl and Howard Sherman.<sup>5</sup>

For Kalecki, the power of labor to increase money wages—although present to a minor extent in the normal business upswing—was not a significant economic threat to capital even at full employment due primarily to the pricing power of firms. Hence, if the system neglected consistently to promote full-employment through the stimulation of government spending this was not to be attributed to economic reasons per se, but rather to the political

threat that permanent full employment would represent to the capitalist class. With “the sack” no longer available, the overall social power of the capitalist class would be diminished. The “rise in wage rates resulting from the stronger bargaining power of the workers,” he observed, “is less likely to reduce profits than to increase prices and thus affects adversely only the rentier interests. But ‘discipline in the factories’ and ‘political stability’ are more appreciated by the business leaders than are profits. Their class instinct tells them that lasting full employment is unsound from their point of view.” It was in this context that he introduced his famous notion of the “political business cycle,” whereby the capitalist state would alternate between promoting full employment and balanced-budget austerity, generating a “controlled under-employment.”<sup>6</sup>

In sharp contrast to this argument of Kalecki’s, Boddy and Crotty claimed that as the economy approached full employment a rising wage share was generated, sharply threatening capitalist profits themselves, and leading to structural economic crisis. The “economic effects of the business cycle,” they contended, then serve to “reinforce the socio-political aspects stressed by Kalecki.”<sup>7</sup> For these authors, as for most economic analysts, the principal cause of the mid-1970s slump was a wage-induced profit squeeze. The notion of a profit squeeze arising as the economy approached full employment was therefore turned into a more general theory of economic crisis and even stagnation.<sup>8</sup>

The late 1970s and ‘80s saw the triumph of monetarism, supply-side economics, and other forms of free-market conservatism or neoliberalism. Establishment economics reverted to pre-Keynesian austerity views, resurrecting Say’s fallacious Law of Markets that supply creates its own demand—previously discredited by Keynes (and before that refuted by Marx). From a Say’s Law perspective, the capital-accumulation process could not falter of itself but only as a result of external trade union or government interference.

All of this meant the restoration of the fundamental economic ideology of the capitalist class. As early as 1732 Sir William Pulteney had declared in the British House of Commons: “It is now a universal complaint in the Country that high Wages given to Workmen is the chief Cause of the Decay of our Trade and Manufacturers; our Business then is, to take all the Measures we can think of, to enable our Workmen to work for less Wages than they do at present.”<sup>9</sup> So deeply ingrained are such views in the world of business and finance that one influential financial strategist, Eric Green, global head of research for rates and foreign exchange at TD Securities, went so far as to contend in 2012—in the midst of the current period of high unemployment, slow recovery, and increasing income disparity—that U.S. corporations were being threatened by a “labor-cost squeeze on their profit

margins,” which “could slow future job gains.”<sup>10</sup>

But if adherence to a profit-squeeze perspective is naturally to be expected on the right, the same is hardly true for the left. Nonetheless, a number of notable radical theorists insisted in the mid-1980s that the “possibility” that the neoliberal strategy of wage repression might prove successful in reviving long-term accumulation could not “be ruled out altogether.”<sup>11</sup> More recently, in an attempt to explain the historical-economic roots of the Great Recession, a 2009 article in *Dollars and Sense* argued that it was sheer economic necessity that drove capital in the Reagan period to overturn the “full employment profit squeeze.... Like the New Deal of the 1930s, the Reagan era laid the groundwork of a new set of relatively stable framework institutions. The so-called neoliberal social structure of accumulation, monstrous though it was, functioned as a framework for capital accumulation and economic growth for nearly three decades.”<sup>12</sup>

Some economic analysts on the left, however, rejected the profit-squeeze view from the start. Although they had given prominence to this perspective by publishing Boddy and Crotty’s article, *Monthly Review* editors Harry Magdoff and Paul Sweezy belonged to the same broad Marxian theoretical tradition as Kalecki and Steindl. For these thinkers the main economic contradiction of monopoly-capitalist accumulation in the post-Second World War period was seen as lying on the demand side rather than the supply side, reflected in a tendency to underutilization of productive capacity associated with problems of surplus absorption endemic to the system.<sup>13</sup> In this view the vast actual and potential economic surplus (surplus value) generated within production under the regime of monopoly capital exceeded the outlets for capitalist consumption and investment. The result was a tendency to economic stagnation manifested in slow growth, high unemployment, and excess capacity. Here the problem was the opposite of profit-squeeze theory: capital was too strong, labor too weak.

In this perspective, the prosperity that marked the post-Second World War years was seen as a temporary, historical departure from the normal state of stagnation that characterized accumulation under monopoly capitalism. The so-called golden age of the 1950s and ‘60s could be attributed to a number of special historical factors, including: (1) the huge consumer liquidity built up during the war; (2) the rebuilding of the war-devastated European and Japanese economies; (3) Cold War military expenditures (which included two regional wars in Asia); (4) a second wave of automobilization of the U.S. economy; and (5) a vast expansion of the sales effort.<sup>14</sup> By the late 1960s, however, most of these historical stimuli had waned. Without new epoch-making innovations on the scale of the steam engine, railroad, and the automobile, and without new props to private accumulation, the economy would increasingly be mired in a condition of long-term slow growth.



If the monopoly-capitalist economy managed nevertheless to avoid a deep stagnation in the 1980s and '90s, it was not because of the advent of a new stable "framework for capitalist accumulation" in the Reagan period, but because of a financial explosion that had begun in earnest by this time, drawing upon the enormous economic surplus in the hands of capital. What Sweezy was to call "the financialization of the capital accumulation process" thus operated as a countervailing influence that lifted the economy—which was also boosted by increased military spending.<sup>15</sup> But the debt overhang resulting from financialization, Magdoff and Sweezy observed, would eventually be so great that it would overwhelm the state's ability to intervene effectively as a lender of last resort. The bubble would burst, and a deep stagnation would arise.<sup>16</sup>

These two perspectives, the profit squeeze theory and the theory of "overaccumulation" and stagnation, represented very different assessments of the 1974–1975 crisis and of the likely long-run trajectory of the U.S. economy.<sup>17</sup> As it turned out, empirical trends were not kind to the profit-squeeze approach. Not only has the deepening economic stagnation of the last four decades been accompanied by a declining, not a rising, share of labor in income, but also there are reasons to doubt the significance of an increasing labor share even in the context of the years immediately leading up to the 1974–1975 crisis. Rather the small, but perceptible, rise in labor's share of income in the late 1960s and early '70s has been shown to be nothing more than the result of a brief expansion of the share of government employment in the economy. There was no significant wage squeeze on profits in the private sector in these years.<sup>18</sup> What was thought to be a mountain turned out to be a molehill—or less.<sup>19</sup>

These empirical weaknesses of the profit-squeeze theory are to be viewed against the larger background of its general incompatibility with the Marxian theory of accumulation. This can be seen in the critiques of the profit-squeeze perspective developed by Marx and Kalecki and the more straightforward socialist strategic outlooks they were able to promote as a result. The main thrust of Marxian crisis theory has always been opposed to the profit-squeeze view, which tends to dampen the aspirations of the working class. In this regard what Marx called "the political economy of the working class" is far superior to the political economy of the capitalist class.<sup>20</sup>

### Marx and Kalecki

In 1865 Marx entered into a debate within the General Council of the First International on the effects of a general rise in money wages, in which he sought to counter the notion—promoted by some representatives of the working class at the time—that an increase in wages would generate an economic crisis and higher unemployment. In his talk to the General Council, known today as *Value, Price and Profit*, Marx illustrated the problem by

dividing consumption goods into two departments. (This implicitly introduced a three-department schema of reproduction—with Department I as investment goods, Department II as wage goods, and Department III as luxury goods or capitalist consumption goods.) Adopting the assumption that workers spend their wages simply on wage goods or necessities (Department II), Marx illustrated the immediate effect of a general increase in money wages by explaining that the higher wages would entail a shift in demand from non-wage goods (Departments I and III) to wage goods (Department II), leaving total output and employment in the economy unchanged, but reducing overall profits.<sup>21</sup>

Although a general rise in the money-wage level, Marx indicated, would lead to a decrease in the profit share, the economic effect would be minor since capitalists would be enabled to raise prices “by the increased demand.” Indeed, workers generally pushed for higher wages only in defensive actions in response to previous changes in the economy engineered by capital. Hence, their wage demands were normally aimed at restoring a previous balance—otherwise average wages would fall below the value of labor power.<sup>22</sup> Moreover, higher wages would simply encourage capital to further cheapen the unit cost of labor power through productivity enhancements and the revolutionization of the means of production, raising the rate of exploitation and profits, while at the same time discharging redundant labor. All of this would have the effect of lowering the wage share in the long run. The “industrial war” of competition, Marx observed, “has the peculiarity that the battles in it are won less by recruiting than by discharging the army of workers. The generals (the capitalists) vie with one another as to who can discharge the greatest number of industrial soldiers.”<sup>23</sup>

Thus Marx argued that it was only under very exceptional conditions, such as the early nineteenth-century railway boom, that a wage-push profit squeeze which was more than merely fleeting would emerge. In such a case the accumulation process would result in “an extraordinary addition of paid labour” so that average wages rose above the value of labor power, reducing the rate of exploitation. Nevertheless, the normal tendency of capitalism, he insisted, was towards “a tendential rise in the rate of surplus-value, i.e. the level of exploitation of labour.” Even the introduction of a shorter, ten-hour day, Marx emphasized, did not substantially raise employment and the wage share.<sup>24</sup>

To be sure, in the opening section of his chapter on “The General Law of Accumulation” in the first volume of *Capital*, Marx appeared to contradict this by suggesting that a wage-squeeze on profits could occur as a result of rapid accumulation and a scarcity of labor. But this was based on the adoption as a mere logical step in his argument of the restrictive assumption—

introduced into the very title of that section—that technical change (the organic composition of capital) was constant. Even then it remained true that the wage level was determined by rate of accumulation—not the other way around. Hence, “at the best of times” for labor, he wrote, the reduction in the relative share of unpaid labor or surplus value, i.e., a reduction in the rate of exploitation, “can never go so far as to threaten the system itself.”<sup>25</sup> An increase in the wage share at the peak of the business cycle was for Marx merely “a harbinger of crisis,” never the cause.<sup>26</sup>

Once the artificial assumption of no technological change was removed (in the subsequent sections of that chapter), the constant replenishing of the reserve army of the unemployed by means of the incessant revolutionization of the means of production was seen as holding down wages and working-class aspirations within the system. All of this ensured that a rising rate of exploitation remained the normal tendency (or general law) of the capital-accumulation process.<sup>27</sup> With respect to the struggle over wages, production, and employment Marx exclaimed: “This very necessity of *general political action* affords the proof that in its merely economic action capital is the stronger side.”<sup>28</sup>

Kalecki was to replicate the general form of Marx’s argument in his article, “Class Struggle and the Distribution of National Income,” published posthumously in 1971. Based on the three-department model, Kalecki argued that a general increase in wages under conditions of perfect or free competition would have no effect in the short period on the overall volume of production or employment. However, Kalecki carried the logic beyond Marx, demonstrating—on the basis of the assumption that “the volume of investment and capitalists’ consumption are determined by decisions taken prior to the short period considered and are not affected by the wage rise during that period”—that “no absolute shift from profits to wages” would occur as a result of a general increase in wages. The increased losses to the capitalist-consumption-goods and investment-goods departments due to higher wage costs would be entirely balanced out by the increased profits in the wage-goods department.<sup>29</sup>

It was quite otherwise, Kalecki argued, with respect to a monopoly-capitalist economy, characterized as it was by monopolistic pricing and excess capacity. Here it was possible for trade unions in monopolistic industries with very high price markups to bargain for higher wages, leading to a small increase in the wage share of income. Given excess capacity, this would have the effect of increasing, rather than decreasing, overall effective demand and employment. Moreover, in the long term the larger demand and higher aggregate profits as the economy approached full employment would feed profit expectations counteracting any decline in investment due to the increase

in the wage share.

It is true that wage increases under these circumstances could lead to inflation. But inflation would ultimately be restrained, Kalecki argued, by the narrow limits within which large corporations could raise prices without breaking down their monopolistic barriers to entry and generating competition from other industries.<sup>30</sup> Corporations would thus not be able to pass on the increases in wage costs fully to consumers—a fact that would have a positive effect on the economy as a whole. “Kalecki,” as Joan Robinson said, “diagnosed inflation as an expression of class warfare.”<sup>31</sup> The main victims of such an inflationary spiral, he argued, would not be workers or capitalists but rentiers.<sup>32</sup> In this way, he anticipated the main features of the stagflation (stagnation plus inflation) period of the late 1970s.

Kalecki contended in 1944, in an analysis with which Keynes agreed, that the main routes to full employment were either by means of increased government spending or by income redistribution. The income-redistribution path to full employment, he argued, necessitated *politically* “squeezing profit margins” through taxes on capital.<sup>33</sup>

Hence, for Kalecki the profit-squeeze doctrine that “when wages are raised, profits fall *pro tanto*” (i.e., to that extent) was “entirely wrong.”<sup>34</sup> Not only was a profit-squeeze crisis resulting from an increase in wages a nonexistent problem at the level of the economy as a whole in a perfectly or freely-competitive capitalist economy, but the limited increase in the wage share that sometimes occurred under monopoly capitalist conditions bolstered aggregate demand. A rise in wages, to the extent that this was possible, thus constituted an economic path *towards*, not away from, full employment and higher income growth.<sup>35</sup>

### The French Popular Front and Socialist Strategy

Kalecki's views on the profit-squeeze argument, the political business cycle, and socialist economic strategy were rooted historically in his close observation of the French Popular Front government led by Leon Blum in 1936–1937. Kalecki had spent the summer of 1937 in Paris witnessing developments there. In what came to be known as the “Blum experiment,” a concerted attempt was made to implement a forty-hour working week, two weeks of paid vacation time for all workers, and collective bargaining rights. As part of these reforms the Popular Front initiated a substantial increase in the money wages of manual workers, which rose by about 60 percent over the course of a year. This increase in money wages did not, however, have a negative effect on overall output and employment, since wholesale prices were raised proportionately. However it did produce substantial net benefits both for manual workers and large capitalists, and for the industrial sector in general—at the expense of rentiers and other income groups. Yet, despite the

fact that big capital had significantly gained from the redistribution toward industry that the wage increase had brought about, it allied itself with rentiers to resist the wage increase, complaining of a profit squeeze. The Blum government eventually succumbed to these pressures, leading to a fatal dampening of the aspirations of workers.<sup>36</sup>

Based on this assessment of the Blum experiment, Kalecki argued, like Marx before him, that workers should consistently push for higher wages, whenever economic conditions made this possible—if only to counter the cuts they experienced in slumps. Nevertheless, even at full employment and at the peak of labor's strength, “the fight for wages,” Kalecki wrote, “is not likely to bring about fundamental changes in the distribution of national income”—the power of the capitalist class in the economic struggle and its overall social power was simply too great. For fundamental changes in distribution to occur, taxation of capital would need to be introduced by the state. More importantly, full employment, rather than being viewed as an end in itself, should be utilized as the strategic basis from which labor could launch an all-out attack on the bourgeois rules of the game. Indeed, it was this possibility that made a full-employment state so dangerous to the capitalist class. Kalecki therefore contended that the capitalist class would politically resist a long-term path of full employment, fighting tooth and nail in response to what it viewed as a potential threat to its social power.<sup>37</sup>

The strategy that Kalecki proposed in the 1940s, at a time when the British Labour Party was growing strong (and at a time of unprecedented total employment due to wartime conditions), was to break with the political business cycle—whereby capital could be expected to respond to anything approaching full employment with austerity policies. Workers should seek to surmount the political business cycle by using full employment to increase their social power. In a 1942 article on “The Essentials of Democratic Planning,” written for *Labour Discussion Notes*, Kalecki, then working at the Oxford Institute of Statistics, argued that in any program of social transformation the initial condition that had to be established was guaranteed full employment and economic security for workers. This would provide, he argued, the “mood of determination” and the “self-confidence amongst the workers and the lower strata of society” that would allow them to engage in a “heightened tempo” of social change and bring into being the institution of “democratic socialist planning.” Once “the sanction of the sack” or Marx’s industrial reserve army was “no longer operative,” workers would increasingly challenge management, generating the social force for a radical planning movement.

The principal strategic aim of the new Labour government would need to be directed at “*changing the power relations in society*, by capturing the key centres of the economic, social, and political power of the strongest capitalist groups.” Kalecki argued for “full central public control of banking, and

finance, investment and foreign trade, and possibly the allocation of basic raw materials and commodities." This required "direct social control" of key industrial sectors, either through "full nationalization" or the establishment of "some kind of public corporation." The most important requirements here were "that those who direct and manage the [public] corporation have no financial interest other than their salaries," and that if there were any private investors they be allowed "no control over policy or management."<sup>38</sup>

All of this, Kalecki recognized, would be strongly resisted by capital, which would use all of its means, including sabotage, to block any changes that threatened its class position. Nevertheless, he argued that if the Labour Party were to exert its full strength at the end of war it would be able to generate a full-employment economy, turning this into a means of further ratcheting up working-class power. "This period, which may be short, will be the one of maximum opportunity for Labour, when full employment has generated a self-confident feeling among workers. Then will be the time to use Labour's political power to the full; to strike boldly and strike hard. This will be the moment to lay the basis for that continuing social revolution without which democratic socialist planning will remain a sterile dream."<sup>39</sup>

Kalecki's political-economic strategy for social change was aimed at fatally undermining what Marx had called capital's main "lever" for the disciplining the working class: the existence of a relative surplus population or industrial reserve army. By removing this lever from capital, it would be possible to alter the rules of the game.<sup>40</sup> The maximum response of capital in this class struggle, meanwhile, would be to attempt to generate what Steindl later called "stagnation as policy," opposing all state policies to check unemployment and even stagnation, and increasing the reserve army of labor in order to preserve the social power of the capitalist class—even at the expense of total profits.<sup>41</sup>

As it turned out in Britain in the 1940s and thereafter, Labour came to power but did not—even during its maximum influence—exert its full power in a project of class transition in line with the course that Kalecki had proposed.<sup>42</sup> With the rise of Thatcherism in Britain and Reaganism in the United States in the 1970s and '80s, capital itself, as Steindl observed, sought to break with the political business cycle, putting in its place the regressive "political trend," now known as neoliberalism. This was an attempt to turn back the clock to a pre-Keynesian-style economic regime aimed at increasing unemployment, in order to squeeze wages and impose greater class discipline on workers. At the same time a financially driven casino economy was opened up for the benefit of capital.<sup>43</sup> Full employment and wage inflation were depicted once again as threats to prosperity, in what Steindl referred to as "the return of the Bourbons" in economic theory.<sup>44</sup>

The economic effects of this restoration of pre-Keynesian economics are



evident in the trends in the United State over the last four decades or so. The percentage of production and nonsupervisory workers in total private-sector employment has remained constant at about 83 percent of all workers in both 1965 and 2011. Nevertheless the share of such workers in total private-sector payroll dropped from 76 percent in 1965 to 56 percent in 2011, while their share of GDP fell over the same period from over 30 percent to about 20 percent.<sup>45</sup> Under these conditions even a mainstream economist such as Paul Krugman was compelled to declare in 2012, that we are “back to talking about capital versus labor...[an] almost Marxist sort of discussion.”<sup>46</sup> Moreover, in trying to discern why full-employment policy is off limits at the top of U.S. society even in the context of deep stagnation and growing inequality, Krugman in his 2012 book *End This Depression Now!* could find no other rational explanation than the one offered by Kalecki—namely that capital saw full employment as a threat to its total social power.<sup>47</sup>

In Kalecki's view, the capitalist class' entrenched opposition to long-run full employment through government intervention meant that workers had no recourse but to push forward on their own in the struggle for higher wages and full employment and to seek on that basis a full transition to socialism. “Labour,” he warned in 1942,

must have no illusions about the great fight that will have to be waged against these [capitalist interest] groups. They will resist fiercely because what is at stake is not so much their profits as their personal and social power, which takes two forms: power in society as a whole, and power over workers' industry. As long as the first form of power remains, all the efforts of the workers in the factories and through the trade unions to diminish the second form of power can only have limited success. The fight for workers' rights in industry and for more effective workers' representation through such things as works' councils and production committees is, of course, of very great importance and...it has a vital part to play in the *total* struggle against the capitalists. But it can never be a *substitute* for the necessary political fight to destroy the power wielded over society as a whole by the great capitalist interest-groups....

Their power is in fact a *class* power and, as long as this class power remains unbroken, the ability of the leading capitalist groups to run things in their way—and, at worst, to sabotage—is enormous....It can only be broken by destroying not merely their political influence, but what is its real basis, their economic power in the great productive forces over which they exercise practically unchallenged control....

The important thing, however, is that Labour should not be afraid of the consequences of the social revolution within industry, but should make itself master of the situation, not by trying to damp down the mood of the

workers, as did the leaders of the Popular Front in France, but by directing it against the opponents of democratic planning.<sup>48</sup>

Kalecki's political-economic analysis here was based, as he explained, on an "isolated" capitalist economy.<sup>49</sup> As historical events unfolded, not only did the Labour Party fail to act decisively in the working-class interest, but also the increased militarism and imperialism during the Cold War, as he was later to observe, altered the picture considerably. Increased armaments spending produced a higher level of employment than in the pre-war years, while at the same time incorporating a considerable part of the working class within a regressive nationalist-imperialist and chauvinistic project—thereby undermining labor's capacity to unite to promote its genuine interests in the class struggle.<sup>50</sup> In the highly globalized monopoly-finance capitalism of today the contradictions facing the working-class movement are even more complex. Capital in the form of multinational corporations is increasingly mobile globally and able to divide and conquer labor internationally, holding down wages and unit labor costs worldwide as workers of different nationalities are pitted against each other.<sup>51</sup>

Nevertheless, Kalecki's arguments on not accepting the economic rationale of the system and insisting on the need to wrest social power from the capitalist class remain crucial today. The danger of the profit-squeeze theory of economic crisis under capitalism has always been that it suggested to workers that the pursuit of their own democratic, egalitarian aspirations led directly to economic slowdown, worsening their situation. As Kalecki put it, "There are certain 'workers' friends' who try to persuade the working class to abandon the fight for wages in its own interest, of course. The usual argument used for this purpose is that the increase of wages causes unemployment, and thus is detrimental to the working class as a whole."<sup>52</sup> This position is visible in the United States today with the debate over whether to introduce a paltry increase in the minimum-wage.<sup>53</sup>

The arguments that Marx and Kalecki leveled against the profit-squeeze theory of crisis have proven correct not only in their day but ours as well. Decade after decade we have seen a declining share of wages (and total compensation) in U.S. GDP—with the share of the bottom 80 percent of private-sector workers plummeting. At the same time the share of GDP represented by management, supervisory, and other nonproduction employees in the private sector has been rising dramatically.<sup>54</sup> Meanwhile, capital's overall share of income has grown by leaps and bounds. Rather than a stable framework of accumulation, this has led to stagnation, financial instability, and deteriorating conditions for workers.

Kalecki's political-economic conclusions were in line with those of Marx, who declared, in his opposition to the profit-squeeze argument, *that the struggle of workers at every point along the way was a rational one*, reflecting the superiority of the political economy of the working class over the political

economy of capital. Nevertheless, the ultimate goal of the working-class struggle was not to strive for this or that gain within the system, but rather to replace the capitalist system with a socialist one controlled by the direct producers. As Marx stated in the closing sentence of *Value, Price and Profit*: "Instead of the conservative motto: 'A fair day's wages for a fair day's work!' they [the working class] ought to inscribe on their banner the revolutionary watchword: 'Abolition of the wages system!'"<sup>65</sup>

## Notes

1. Paul A. Samuelson, the leading representative of mainstream Keynesianism (or the so-called neoclassical-Keynesian synthesis) was to concede that Keynes's "prescription in its most simple form self-destructed, as the obligation to run a full-employment humanitarian state caused modern economies to succumb to the new disease of stagflation—high inflation along with joblessness and excess capacity." Samuelson, "The House that Keynes Built," *New York Times*, May 29, 1983.
2. David M. Gordon, Thomas E. Weisskopf, and Samuel Bowles, "Power, Accumulation, and Crisis," in Robert Cherry, et. al., *The Imperiled Economy* (New York: Union for Radical Political Economics, 1987), 43; Alain Lipietz, "Behind the Crisis," *Review of Radical Political Economics* 18, no. 1 and 2 (1986): 13.
3. See Howard J. Sherman, "Inflation, Unemployment, and the Contemporary Business Cycle," in John Bellamy Foster and Henryk Szajfer, eds., *The Faltering Economy* (New York: Monthly Review Press, 1984), 93.
4. Ralford Boddy and James Crotty, "Class Conflict, Keynesian Policies, and the Business Cycle," *Monthly Review* 26, no. 5 (October 1974): 1–17. See also Ralford Boddy and James Crotty, "Class Conflict and Macro-Policy: The Political Business Cycle," *Review of Radical Political Economics* 7, no. 1 (1975): 1–18.
5. Boddy and Crotty, "Class Conflict, Keynesian Policies," 4, 8. Unlike Boddy and Crotty some theorists on the left later on made the mistake of thinking that Kalecki had himself presented a profit-squeeze theory. On this erroneous interpretation see, for example, Andrew Glyn, *Capitalism Unleashed* (Oxford: Oxford University Press, 2006), 31. For a criticism of such misuse of Kalecki see Robert Brenner, "The Economics of Global Turbulence," *New Left Review* 229 (1998): 14–17.
6. Michał Kalecki, "Political Aspects of Full Employment," in Kalecki, *The Last Phase in the Transformation of Capitalism* (New York: Monthly Review Press, 1972), 76–83, *Selected Essays on Economic Planning* (Cambridge: Cambridge University Press, 1986), 24. Steindl insisted in line with Kalecki that "a general rise or fall in money wages would not necessarily and regularly affect the share of profits, because it is the capitalists who decide the 'mark-up' which is added on to wage costs in order to arrive at the price." Josef Steindl, *Maturity and Stagnation in American Capitalism* (New York: Monthly Review Press, 1976), 236–37.
7. Boddy and Crotty, "Class Conflict," 4.
8. Boddy and Crotty were presenting the profit squeeze as an explanation of economic crisis. Others, however, went further and saw it as the source of long-term stagnation. See, for example, Gordon, Weisskopf, and Bowles, "Power, Accumulation and Crisis"; and in the British context, Andrew Glyn and Bob Sutcliffe, *Capitalism in Crisis* (New York: Pantheon, 1972).
9. Putney quoted in Philip Morowski, *The Birth of the Business Cycle* (New York: Garland Publishing, 1985), 15.
10. "Labor Costs a Challenge to Fed, Companies," *Wall Street Journal Marketwatch blog*, March 8, 2012, <http://articles.marketwatch.com>.
11. Thomas E. Weisskopf, Samuel Bowles, and David M. Gordon, "Two Views of Capitalist Stagnation," *Science and Society* 49 (Fall 1985): 259–86.
12. Alejandro Reuss, "That '70s Crisis," *Dollars & Sense*, no. 285 (November–December 2009): 23–24. Such thinkers argue that today's economy is characterized by a declining wage share, with the present crisis therefore having the opposite cause from that of the 1970s.
13. For a general summary of the argument on monopoly and stagnation see John Bellamy Foster and Robert W. McChesney, *The Endless Crisis* (New York: Monthly Review Press, 2012), 29–38.
14. Harry Magdoff and Paul M. Sweezy, *The Deepening Crisis of U.S. Capitalism* (New York: Monthly Review Press, 1981), 181–82.
15. Paul M. Sweezy, "More (or Less) on Globalization," *Monthly Review* 49, no. 4 (September 1997): 3.
16. Harry Magdoff and Paul M. Sweezy, *The Irreversible Crisis* (New York: Monthly Review Press, 1988), 76. On the long-term slowdown in the rate of economic growth from the 1970s to the present see Foster and McChesney, *Endless Crisis*, 3–4.
17. Magdoff and Sweezy, *Deepening Crisis*, 179.
18. Fred Magdoff and John Bellamy Foster, "Class War and Labor's Declining Share," *Monthly Review* 64, no. 9 (March 2013): 1–11.

## REVIEW OF THE MONTH MARX, KALECKI, AND SOCIALIST STRATEGY

19. Today's business-cycle research, as Sherman points out, has shown that the rise in the wage share of income at the peak of the typical business cycle is due not to the increase in employee income that occurs at this stage, which is at best "tiny," but rather to the fact that "wages are steady, while profit is falling." Howard J. Sherman, *The Roller Coaster Economy* (Armonk, NY: M.E. Sharpe, 2010), 52–53.
20. Karl Marx, *On the First International* (New York: McGraw-Hill, 1973), 5–12.
21. Karl Marx, *Value, Price and Profit* (New York: International Publishers, 1935), 12–16; Karl Marx and Frederick Engels, *Collected Works* (New York: International Publishers, 1975), vol. 20, 338. *Value, Price and Profit* was a talk delivered to a working class audience and was never revised by Marx for publication. It was first published as a pamphlet in 1898, edited by his daughter Eleanor. In the talk Marx did not use the formal language of departments as in volume two of *Capital*, but simply referred to the wage-goods and luxury-goods sectors as different "branches of industry." (In his reproduction schemes in volume II Marx treated Department II as subdivided between a working-class wage-goods sector and capitalist luxury-goods sector. Later Marxian theorists have commonly treated this as two separate departments: Department II and Department III, respectively.) Nor did Marx refer specifically in his talk to the investment-goods sector (Department I)—despite the fact that since this represented the accumulation of capital it was the driving force. Still, in distinguishing in *Value, Price and Profit* between the wage-goods and luxury-goods sectors there was no doubt that Marx was implicitly arguing in terms of a three-department reproduction scheme and the exchanges that would take place between the wage-goods and non-wage-goods departments. Therefore references to all three departments have been included in the explanation of the argument, without which it would be incomplete. Indeed, as we shall see below, Marx's argument on the effects of a general wage increase on the distribution between the three departments was later replicated by Kalecki.
22. Marx, *Value, Price and Profit*, 8, 58.
23. Karl Marx, *Wage-Labour and Capital* (New York: International Publishers, 1933), 45.
24. Karl Marx, *Capital*, vol. 1 (London: Penguin, 1976), 771. Karl Marx, *Capital*, vol. 3 (London: Penguin, 1981), 347; Marx, *Value, Price, and Profit*, 54–55.
25. Karl Marx, *Capital*, vol. 1, 762, 769–70, *Capital*, vol. 2 (London: Penguin, 1978), 486–87.
26. Karl Marx, *Capital*, vol. 2, 486–87. In referring to an increase in the wage share of income that occurred at the peak of every cycle as a "harbinger" of crisis (a kind of leading indicator) Marx was pointedly *not* attributing the cyclical downturn itself to this fact. Marx's pioneering approach to the business cycle (and to periodic crises as a cyclical phenomenon) was complex, emphasizing numerous factors and never worked up into a developed theory. He considered nearly all of the elements that are incorporated into contemporary business-cycle analysis, placing a strong emphasis, however, on an understanding of the cycle as determined by fluctuations in investment, particularly related to the renewal of fixed capital—a view which was to have a strong influence on economics in general. Marx's broad approach had much in common with Kalecki's dynamic analysis based on the mutual interaction of investment and profits, incorporating both demand-side and supply-side factors. Hence, recent attempts to reduce Marx's theory of the cycle to a wage squeeze on profits explanation have no real basis in his thought. On Marx's approach to the cycle see Marx, *Capital*, vol. 2, 264; Ernest Mandel, *The Formation of the Economic Thought of Karl Marx* (New York: Monthly Review Press, 1971), 140–53; Howard J. Sherman, *The Business Cycle* (Princeton: Princeton University Press, 1981), 70, 135–36. On Kalecki in this respect, see Sherman, *The Business Cycle*, 71–72; Michał Kalecki, *Theory of Economic Dynamics* (New York: Monthly Review Press, 1965).
27. Marx, *Capital*, vol. 1, 772–94. For theorists such as Kalecki, Steindl, Beran, and Sweezy, even the limited importance that Marx gave to the notion of a profit squeeze under competitive capitalism was an expression of the fact that, in Steindl's words, Marx did "not manage to detach himself completely" from "straightforward 'classical economics'" (meaning in this case a Say's Law perspective). An "increase in wages could never reduce profits" within the economy as a whole, Steindl pointed out, "as long as investment (and capitalist consumption) remain high." Steindl, *Maturity and Stagnation*, 237.
28. Marx, *Value, Price and Profit*, 59.
29. Michał Kalecki, *Selected Essays on the Dynamics of the Capitalist Economy* (Cambridge: Cambridge University Press, 1971), 156–58.
30. *Ibid.*, 181.
31. Joan Robinson, "Michał Kalecki: A Neglected Prophet," *New York Review of Books* 23, no. 1 (March 4, 1978): 28–30.
32. Kalecki, *Last Phase*, 78.
33. Kalecki, *Collected Works* (Oxford: Oxford University Press, 1990), vol. 1, 374; Keynes to Kalecki, December 30, 1944 in Kalecki, *Collected Works*, vol. 1, 579.
34. Kalecki, *Selected Essays on Dynamics*, 156. Kalecki also pointedly indicated here that this doctrine was the last refuge of Say's Law, stating: "Even though in the analysis of other phenomena Say's Law was not adhered to, at least not strictly, in this case [a money-wage increase] the preservation of purchasing power was not put into doubt."
35. *Ibid.*, 160–64.

38. Kalecki, *Collected Works*, vol. 1, 283–84, 326–41, 563–65; *Selected Essays on Economic Planning*, 23–24. See also Gunnar Myrdal, "A Parallel: The First Blum Government 1936—A Footnote to History," in N. Assar Dobrjaj-Kula, et. al., ed., *Studies in Economic Theory and Practice: Essays in Honor of Edward Lipiński* (Amsterdam: North-Holland Publishing Co., 1981), 53–62.
39. Kalecki, *Collected Works*, vol. 1, 284–85.
38. Kalecki, *Selected Essays on Economic Planning*, 19–24.
39. *Ibid.*, 24.
40. Marx, *Capital*, vol. 1, 784.
41. Kalecki, *Selected Essays on Economic Planning*, 24; Josef Steindl, "Stagnation Theory and Stagnation Policy," in Foster and Szajfer, eds., *The Faltering Economy*, 178–97.
42. What the Labour Party could have achieved politically is of course subject to debate. See, for example, Ralph Miliband, *Parliamentary Socialism* (London: George Allen and Unwin, 1961); Raymond Williams, "Class Voting in Britain," *Monthly Review* 11, no. 9 (January 1960): 327–34.
43. Steindl, "Stagnation as Policy," 189.
44. Josef Steindl, "The Present State of Economics," *Monthly Review* 36, no. 9 (February 1985): 35.
45. Magdoff and Foster, "Class War and Labor's Declining Share," 8–10.
46. Paul Krugman, "Robots and Robber Barons," *New York Times*, December 9, 2012, <http://nytimes.com>.
47. Paul Krugman, *End This Depression Now!* (New York: W.W. Norton, 2012), 84–86, 206.
48. Kalecki, *Selected Essays on Economic Planning*, 20–24.
49. Kalecki, *Collected Works*, vol. 1, 340.
50. Kalecki, *The Last Phase*, 85–114.
51. Foster and McChesney, *The Endless Crisis*, 103–54.
52. Kalecki, *Collected Works*, vol. 1, 284.
53. For a rational, Keynesian view on an increase in the minimum wage see Paul Krugman, "Raise That Wage," *New York Times*, February 17, 2013, <http://nytimes.com>. For an irrational, pre-Keynesian (Say's Law) view, see James Dorn, "Obama's Minimum Wage Hike," *Forbes*, February 20, 2013, <http://forbes.com>. The truth is that even if Obama's proposal to raise the federal minimum wage to \$9 an hour were enacted the real minimum wage (adjusted for inflation) would still be below that of 1968! Gar Alperovitz, *What Then Must We Do* (White River Junction, VT: Chelsea Green, 2013), 7.
54. Magdoff and Foster, "Class War," 10.
55. Marx, *Value, Price and Profit*, 61.



## MONTHLY REVIEW

## Fifty Years Ago

We believe that revolutions, especially when combined with forced economic marches, create conditions conducive to excessive political repression, to abuses of power, to unnecessary curtailment of individual freedoms. The remedy, however, is not to be found in selection of good leaders, important though that certainly is, but in the preservation of popular control over leaders, in maintaining and extending the democratic institutions and civil liberties of the working people, in confining repression to active counter-revolutionaries. This was the policy advocated by Marx and Engels; it was the policy practiced under the most trying and difficult circumstances by the Russian Bolsheviks during Lenin's life time; it is the policy being practiced in Cuba today. It seems to us that it has never been more necessary than it is now for socialists to insist on this policy of revolutionary democracy; and to combine this insistence with a careful analysis of all the obstacles that stand in the path of its realization.

—Paul A. Baran and Paul Sweezy, "A Rejoinder [in the Great Debate]," *Monthly Review*, April 1963, 674–75.

# Crisis Theory, the Law of the Tendency of the Profit Rate to Fall, and Marx's Studies in the 1870s

Michael Heinrich

*The development of crisis theory within the Marxian tradition has been central to much of our work in the last several years. The view that the various fragmentary references to crisis theory in the three volumes of Capital constitute a fully developed coherent structure, which only requires diligent exegesis, is a view that has never seemed sensible to us.*

*Recent research into the evolution of Marx's manuscripts in connection with the production of the Marx-Engels-Gesamtausgabe (MEGA), the historical-critical edition of the complete writings of Karl Marx and Friedrich Engels, has confirmed our understanding in a very exciting way. It is now clear that Marx never ceased to develop his thinking on the phenomena of crises in capitalism, and never ceased to discard earlier formulations; for example, at the end of his life he was focused on questions of credit and crisis. Monthly Review rarely presents its readers with discussions of economic theory at a relatively high degree of abstraction; this, however, is such an occasion. We trust that the author's exemplary clarity will permit ready access to readers with any degree of interest in Marx's theory; for those who wish to become familiar with the conceptual outline of Marx's work, we cannot do better than to recommend the author's *An Introduction to the Three Volumes of Karl Marx's Capital* (Monthly Review Press, 2012).—The Editors*

In Marx's work, no final presentation of his theory of crisis can be found. Instead, there are various approaches to explain crises. In the twentieth century, the starting point for Marxist debates on crisis theory was the third volume of *Capital*, the manuscript of which was written in 1864–1865. Later,

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attention was directed towards the theoretical considerations on crisis in the *Theories of Surplus-Value*, written in the period between 1861 and 1863. Finally, the *Grundrisse* of 1857–1858 also came into view, which today plays a central role in the understanding of Marx's crisis theory for numerous authors. Thus, starting with *Capital*, the debate gradually shifted its attention to earlier texts. With the *Marx Engels Gesamtausgabe (MEGA)*, all of the economic texts written by Marx between the late 1860s and the late 1870s are now available. Along with his letters, these texts allow for an insight into the development of Marx's theoretical considerations on crisis after 1865.

### Hope, Experience, and the Changing Analytical Framework of Marx's Theory

In the first half of the nineteenth century, it became clear that periodic economic crises were an inevitable component of modern capitalism. In the *Communist Manifesto*, they were regarded as a threat to the economic existence of bourgeois society. Crises first took on a special *political* meaning for Marx in 1850 when he attempted a closer analysis of the failed revolutions of 1848–1849. He now regarded the crisis of 1847–1848 as the decisive process which led to revolution, from which he drew the conclusion: "A new revolution is possible only in consequence of a new crisis. It is, however, just as certain as this crisis."<sup>1</sup>

In the following years, Marx eagerly awaited a new deep crisis. It finally came in 1857–1858: all capitalist centers experienced a crisis. Whereas Marx acutely observed the crisis and analyzed it in numerous articles for the *New York Tribune*, he also attempted to work out his critique of political economy, which he had planned for years.<sup>2</sup> The result was the untitled manuscript which is known today as the *Grundrisse*.

In the *Grundrisse*, the theory of crisis bears the stamp of the expected "deluge" that Marx wrote about in his letters.<sup>3</sup> In an early draft for the structure of the manuscript, crises come at the end of the presentation, after capital, the world market, and the state, where Marx fashions a direct connection to the end of capitalism: "Crises. Dissolution of the mode of production and form of society based upon exchange value."<sup>4</sup>

In the so-called "Fragment on Machines," one finds an outline of a theory of capitalist collapse. With the increasing application of science and technology in the capitalist production process, "the immediate labour performed by man himself" is no longer important, but rather "the appropriation of his own general productive power," which leads Marx to a sweeping conclusion: "As soon as labour in its immediate form has ceased to be the great source of wealth, labour time ceases and must cease to be its measure, and therefore exchange value [must cease to be the measure] of use value. The *surplus labour of the masses* has ceased to be the condition for the

development of general wealth, just as the *non-labour* of the few has ceased to be the condition for the development of the general powers of the human head. As a result, production based upon exchange value collapses."<sup>5</sup>

These lines have often been quoted, but without regard for how insufficiently secure the categorical foundations of the *Grundrisse* are. The distinction between concrete and abstract labor, which Marx refers to in *Capital* as "crucial to an understanding of political economy," is not at all present in the *Grundrisse*.<sup>6</sup> And in *Capital*, "labor in the immediate form" is also not the source of wealth. The sources of material wealth are concrete, useful labor and nature. The social substance of wealth or value in capitalism is abstract labor, whereby it does not matter whether this abstract labor can be traced back to labor-power expended in the process of production, or to the transfer of value of used means of production. If abstract labor remains the substance of value, then it is not clear why labor time can no longer be its intrinsic measure, and it's not clear why "production based on exchange value" should necessarily collapse. When, for example, Hardt and Negri argue that labor is no longer the measure of value, they do not really refer to the value theory of *Capital* but to the unclear statements of the *Grundrisse*.<sup>7</sup> ✓

Marx indirectly addresses this set of problems from the *Grundrisse* in the first volume of *Capital*, when dealing with the concept of relative surplus-value: there Marx makes fun of the notion that the determination of value by labor is called into question by the fact that in capitalist production, the point is to reduce the labor time required for the production of an individual commodity—and that was the argument upon which the theory of collapse in the *Grundrisse* was based.<sup>8</sup>

The crisis of 1857–1858 was over quickly. It did not lead, economically or politically, to the shaking up of conditions that Marx had hoped for: the capitalist economy emerged strengthened from the crisis, and revolutionary movements did not arise anywhere. This experience was integrated into Marx's theoretical development: after 1857–1858, Marx no longer argued in terms of a theory of final economic collapse, and he no longer made out a direct connection between crisis and revolution.

Marx's hopes in the crisis were disappointed, but at least he had begun to formulate his critique of political economy. This project would grip him until the end of his life, and the theory of crisis would play an important role within it. Although Marx had in no way finished with the process of research, he made numerous attempts at an adequate presentation. Starting in 1857, three comprehensive economic manuscripts emerged: after the *Grundrisse* of 1857–1858, the *Manuscript of 1861–1863* (which contains the *Theories of Surplus-Value*) and the *Manuscript of 1863–1865* (which among other things contains the manuscript used by Engels as the foundation for his

edition of the third volume of *Capital*). In the *MEGA*, where these manuscripts have been published in their entirety, they are referred to as “the three drafts of *Capital*.” This widely used description is problematic: it suggests a seamless continuity and conceals the shifts in the theoretical framework of Marx’s analysis.

One result of the *Grundrisse* was the six-book plan announced in the preface to *A Contribution to the Critique of Political Economy* (capital, landed property, wage-labor, the State, foreign trade, the world market).<sup>9</sup> Fundamental for the first book is the distinction between “capital in general” and the “competition of many capitals”: everything that merely manifests at the level of appearance in competition was to be developed in the section on “capital in general,” abstracted however from any observation of individual capitals or a particular capital.<sup>10</sup>

In the *Manuscript of 1861–1863*, where Marx attempts to implement this concept, the theory of crisis is dealt with under new considerations. Crises are no longer an indication of the dissolution of the capitalist mode of production, but are rather the constant and completely normal accompaniment of this mode of production, which provide a “forcible adjustment of all the contradictions.” Correspondingly, the theory of crisis no longer constitutes the endpoint of the presentation. Rather, individual moments of crisis are to be dealt with at different levels of the presentation. Marx makes the programmatic declaration:

The world trade crises must be regarded as the real concentration and forcible adjustment of all the contradictions of bourgeois economy. The individual factors, which are condensed in these crises, must therefore emerge and must be described in each sphere of the bourgeois economy and the further we advance in our examination of the latter, the more aspects of this conflict must be traced on the one hand, and on the other hand it must be shown that its more abstract forms are recurring and are contained in the more concrete forms.<sup>11</sup>

However, Marx had a problem determining which moments of crisis are to be developed at which level. He still had not found the proper structure of the presentation. In the course of his work on the *Manuscript of 1861–1863*, Marx had to accept two dramatic results: (1) the six-book plan was too comprehensive, he would not be able to carry it out completely. Marx announced that he would restrict himself to the book on “Capital,” eventually he intended to get around to writing the book on the state, but all the rest had to be done by others on the basis of the foundation that he would provide.<sup>12</sup> (2) It would soon become clear, however, that the strict separation between “capital in general” and “competition” could no longer be maintained.<sup>13</sup> For the book on capital that Marx now planned, the concept of “capital in

general" no longer played a role. Whereas from 1857 to 1863 in the manuscripts as well as in Marx's letters, Marx often referred to "capital in general" when discussing the structure of the planned work, this term no longer showed up anywhere after the summer of 1863.

So we are not dealing with three drafts for the final version of *Capital*, but rather with *two different projects*: the plan followed between 1857 and 1863 for a six-book *Critique of Political Economy*, and after 1863, the four-book work on *Capital* (three "theoretical" volumes and one on the history of theory). The *Grundrisse* and the *Manuscript of 1861–1863* are the two drafts for the book on capital from the original six-book *Critique of Political Economy*, whereas the *Manuscript of 1863–1865* is the first draft for the three theoretical volumes of the four-book *Capital*. If we consider the *Manuscript of 1863–1865*, then it becomes clear not only that the concept of "capital in general" is missing, but also that the structure of presentation does not anymore correspond to the opposition between capital in general and competition. Instead, a central role is played by the relationship between *individual capital* and the *total social capital*, which is dealt with at the different levels of abstraction of the process of production, the process of circulation, and the process of capitalist production as a whole. The strict separation of the presentation of capital, wage-labor, and landed property could also no longer be maintained: in the newly conceptualized *Capital*, one finds theoretically fundamental sections of the previously planned books on landed property and wage-labor. All that remains are the special studies mentioned in the text.<sup>14</sup> So overall, *Capital* corresponds to the material of the first three books of the earlier six-book plan, but within an altered theoretical framework. The planned presentation of the history of theory had also been altered: a history of economic theory in its entirety replaces the history of individual categories intended for the old book on capital. Here as well, the originally planned separation cannot be maintained.

The *first draft* for this new *Capital* is the *Manuscript of 1863–1865*. The first printing of the first volume of *Capital* from 1866–1867, the "Manuscript II" for book II of *Capital* from 1868–1870,<sup>15</sup> as well as the smaller manuscripts for book II and book III created in the same time period<sup>16</sup>: all of these constitute a *second draft* (1866–1871) of *Capital*. The manuscripts written between the end of 1871 and 1881 including the second German edition of the first volume of *Capital* from 1872–1873 (which exhibits considerable changes from the first edition) and the French edition of 1872–1875 (which contains further changes) constitute a third draft of *Capital*. So instead of three drafts and the final *Capital*, we have two different projects with a total of five drafts.<sup>17</sup>

### The Evolution of Marx's Economic Writings Since 1857

| <b>I. The <i>Critique of Political Economy</i>, in Six Books (1857–1863)</b> |                                                                   |
|------------------------------------------------------------------------------|-------------------------------------------------------------------|
| First Draft                                                                  | <i>Grundrisse</i> 1857–1858                                       |
| Second Draft                                                                 | <i>A Contribution to the Critique of Political Economy</i> , 1859 |
|                                                                              | <i>Manuscript of 1861–1863</i>                                    |
| <b>II. <i>Capital</i>, in Four Books (1863–1881)</b>                         |                                                                   |
|                                                                              | 1865                                                              |
| Second Draft                                                                 | <i>Capital</i> , Vol. I, first edition (1867)                     |
|                                                                              | Manuscript II for Book II (1868–1870)                             |
|                                                                              | Manuscripts for Books II and III (1867–1871)                      |
| Third Draft                                                                  | <i>Capital</i> , Vol. I, second edition (1872–1873)               |
|                                                                              | <i>Capital</i> , Vol. I, French translation (1872–1875)           |
|                                                                              | Manuscripts for Book III (1874–1878)                              |
|                                                                              | Manuscripts for Book II (1877–1881)                               |

#### **“The Law of the Tendency of the Rate of Profit to Fall”—and its Failure (1865)**

The most extensive considerations of crisis in the *Capital* manuscripts can be found in connection with the presentation of the “Law of the tendency of the rate of profit to fall” in the manuscripts for the third book from 1864–1865. Since this “law” plays such an important role in many debates on crisis theory, it will be discussed before coming to the actual theory of crisis.

The idea that the social average rate of profit declines over the long term was considered an empirically confirmed fact since the eighteenth century. Adam Smith and David Ricardo both attempted to demonstrate that the observed fall in the rate of profit was not simply a temporary phenomenon, but rather a result of the inner laws of the development of

capitalism. Adam Smith attempted to explain the fall in the rate of profit as a result of competition: in a country with abundant capital, the competition between owners of capital would exert downward pressure on profit.<sup>18</sup> This argument is not very plausible. An *individual* capitalist, in order to improve his competitive position, can lower the price of his commodity and be satisfied with a smaller profit. However, if the majority of capitalists act in this way, then the market price of numerous commodities would decline and therefore also the costs for each enterprise, which in turn would increase profit.

David Ricardo had already criticized Smith's arguments for the fall in the rate of profit.<sup>19</sup> Ricardo proceeded from the assumption that, disregarding a few exceptions, the general rate of profit could only fall if wages increased. Since an increase in the size of the population necessitates more means of subsistence, Ricardo assumed that farmland of increasingly worse quality would have to be cultivated, which would lead to a rise in the price of grain. Since wages must cover the costs of reproduction of the labor force, wages would rise with the rise in the price of means of subsistence, which would cause a decrease in profits. Capitalists would not profit from the rising price of grain: on the worst land, production prices are high; on better land, the costs of production thus saved would flow as ground rent to landowners.<sup>20</sup>

Marx opposed this with the argument that even in agriculture increases in productivity are possible, so that the price of grain can fall as well as rise. The possibility of agricultural increases in productivity was not so readily apparent to Ricardo as to Marx: the latter was a contemporary of Justus von Liebig, whose discoveries in the field of chemistry revolutionized agricultural production.<sup>21</sup> Marx was not the first to assert a long-term fall in the rate of profit as a result of the inner laws of capitalism. However, he did claim to be the first to have discovered a coherent explanation for this law.<sup>22</sup> P 33981

At the end of the manuscript for the third book, Marx characterizes the object of his presentation as "the internal organization of the capitalist mode of production, its ideal average, as it were."<sup>23</sup> With regard to the presentation of this "ideal average," particular, temporary moments should be disregarded, in favor only of that which is typical of a developed capitalism. In the preface to the first volume of *Capital* written two years later, Marx also emphasizes that his intent is not the analysis of a single country or a particular epoch of capitalist development, but rather the "laws themselves" that form the basis of this development.<sup>24</sup> Accordingly, with regard to his arguments for the law of the rate of profit, Marx does not assume any particular form of market or conditions of competition, but rather solely the form of development of the forces of production typical of capitalism, the increasing deployment of machinery. If the law he derives at this level of abstraction is correct, then it must be valid for all developed capitalist economies.

Marx discusses the law of the rate of profit in two steps: first, he illustrates why there is a tendential fall in the rate of profit at all.<sup>25</sup> Subsequently, he discusses a series of factors that counteract this tendency and which even transform it into a temporary rise in the rate of profit, so that the fall in the rate of profit only exists as a “tendency.”<sup>26</sup> Since these counteracting factors are more-or-less prominent in individual countries at different times, different trends in the rate of profit arise. However, in the long term, according to Marx’s thesis, the rate of profit must fall.

With this “law,” Marx formulates a very far-reaching existential proposition, which cannot be empirically proven nor refuted. The “law” claims that a fall in the rate of profit results in the long-term from the capitalist mode of development of the forces of production. If the rate of profit has fallen in the past, this does not constitute a proof—since the law purports to apply to future development, and the mere fact of a fall in the rate of profit in the past says nothing about the future. If the rate of profit has risen in the past, then this is also not a refutation, since the law does not require a permanent fall, but rather merely a “tendential” fall, which can still occur in the future. Even if the law cannot be empirically verified, the argumentative conclusiveness of Marx’s reasoning can be discussed.

Here, two points have to be distinguished. The *first point* concerns the relationship between “the law as such” and the “counteracting factors.” Marx assumes that the fall in the rate of profit, derived as a law, in the long term outweighs all counteracting factors. Yet Marx does not offer a reason for this.

The *second point* concerns the “law as such”: does Marx actually manage conclusively to prove the “law as such”? This section will be concerned solely with this point: it can be shown that Marx does not succeed in providing such a proof. The “law of the tendency of the rate of profit to fall” does not first fall apart in the face of the “counteracting factors”; it already falls apart because the “law as such” cannot be substantiated.<sup>27</sup>

In order to argue for the fall in the rate of profit, Marx initially presupposes a constant rate of surplus-value and considers in a numerical example a rising value composition of capital, which then necessarily leads to a fall in the rate of profit. Not explicitly, but in principal Marx uses in this observation an expression of the rate of profit that he obtains from the first equation:

$$(1) \quad p^* = \frac{s}{c + v}$$

by dividing the numerator and denominator by  $v$ :

$$(2) \quad p^* = \frac{s/v}{(c/v) + 1}$$



If, as Marx initially assumes, the numerator  $s/v$  remains constant while the denominator  $(c/v) + 1$  grows, because  $c/v$  grows, then it is clear that the value of the entire fraction falls. However, the numerator does not remain constant. The value composition of capital increases because of the production of relative surplus-value, that is to say in the case of an increase in the rate of surplus-value. Contrary to a widespread notion, the increase in the rate of surplus-value as a result of an increase in productivity is not one of the "counteracting factors," but is rather one of the conditions under which the law as such is supposed to be derived, the increase in  $c$  occurring precisely in the course of the production of relative surplus-value, which leads to an increasing rate of surplus-value.<sup>28</sup> For that reason, shortly after the introductory example Marx emphasizes that the rate of profit also falls in the case of a rising rate of surplus-value. The question, however, is whether this can be conclusively argued.

If not only the value-composition of capital grows, but also the rate of surplus-value, then in the above fraction, *both* the numerator and denominator increase. When Marx claims a fall in the rate of profit, then he must demonstrate that in the long term the denominator grows faster than the numerator. Yet there is no evidence whatsoever for such a comparison in the speed of growth. Marx circles around this problem in the text more than he actually delivers any substantiation. His uncertainty becomes clear every time he asserts that the law has been proven, only to once again begin with an argument for it. These attempts at substantiation rest upon the notion that not only does the rate of surplus-value increase, but also that the number of workers employed by a capital of a given size decreases.

In the notes from which Engels constructed the fifteenth chapter of the third volume, Marx appears finally to be able to prove a fall in the rate of profit even in the case of an increasing rate of surplus-value with the following argument: if the number of workers continues to decrease, then at some point the surplus-value they create will also decline—regardless of how much the rate of surplus-value may rise. This can be easily seen using a numerical example: twenty-four workers, each of whom yield two hours of surplus-labor, yield a total of forty-eight hours of surplus-labor. However, if as a result of a strong increase in productivity, only two workers are necessary for production, then these two workers can only yield forty-eight hours of surplus-labor, if each works for twenty-four hours and does not receive a wage. Marx thus concludes that "the compensation of the reduced number of workers by a rise in the level of exploitation of labour has certain limits, that cannot be overstepped; this can certainly check the fall in the profit rate, but it cannot cancel it out."<sup>29</sup>

However, this conclusion is only correct if the capital  $(c + v)$  necessary to

employ the two workers is of an amount at least as great as that required to employ twenty-four workers before. Marx had merely demonstrated that in equation (1), the value of the numerator decreases. If a decline in the value of the entire fraction is to result from the decrease in the value of the numerator, then the denominator must at least remain constant. If the value of the denominator also decreases, then we would have the problem that numerator *and* denominator decrease, and it then becomes a question as to which decreases faster. However, we cannot exclude the possibility that the capital used to employ the two workers is smaller than that required to employ twenty-four. Why? Only wages for two workers have to be paid, instead of for twenty-four. Since an enormous increase in productivity has occurred (instead of twenty-four, only two workers are necessary), we can assume a considerable increase in productivity in the consumer goods industry, so that the value of labor-power also decreases. So the sum of wages for the two workers is not only one-twelfth that of the twenty-four workers, it is in fact much smaller. However, on the other hand the constant capital used up also increases. But for the denominator  $c + v$  to at least remain the same, *it is not enough that  $c$  increases*;  $c$  must also increase at least by the same amount that  $v$  decreases. Yet we do not know how much  $c$  increases, and for that reason, we do not know whether the denominator increases, and we therefore also do not know whether the rate of profit (the value of our fraction) decreases. So nothing has been proven.

Here, a fundamental problem is made abundantly clear: regardless of how we express the rate of profit, it is always a relation between two quantities. The *direction* of movement for these two quantities (or parts of these two quantities) is known. That, however, is not sufficient; the point is, *which of the two quantities changes more rapidly*—and we do not know that. For that reason, at the general level at which Marx argues, nothing can be said concerning long-term tendencies of the rate of profit.<sup>30</sup> There is an additional problem, which cannot however be discussed here in any detail. The growth of  $c$ , from which the decline in the rate of profit supposedly results, is not completely unlimited. In the second part of the fifteenth chapter of the first volume of *Capital*, Marx argues that the additional application of constant capital encounters its own limits in the reduction of variable capital. If this is consistently taken into consideration, this presents a further argument against the “law as such.”<sup>31</sup>

### Crisis Theory Without the Tendency of the Rate of Profit to Fall

Since many Marxists regarded the “law of the tendency of the rate of profit to fall” as the foundation of Marx’s theory of crisis, they vehemently defended it against every critique. The assumption that Marx intended to base his theory of crisis upon this law, however, is primarily a consequence of Engels’s editorship of the third volume of *Capital*. Marx’s manuscript of

1865, which was the foundation of Engels's edition, is barely divided into subsections. It only has seven chapters, from which Engels made seven parts. In Marx's manuscript, the third chapter on the fall in the rate of profit is not divided into any subsections. Its division into three separate chapters was done by Engels. The first two chapters on the "law as such" and the "counteracting factors" closely follow Marx's argumentation, but the manuscript then flows out into a sea of notes and constantly interrupted thoughts. Engels heavily revised this material to construct the third chapter on the "law": he condensed it with abridgments, he made rearrangements, and divided it into four subsections. This created the impression of an already largely completed theory of crisis. And since Engels gave the whole thing the chapter title "Development of the Law's Internal Contradictions," he created—on the part of readers who did not know that this chapter title did not at all originate with Marx—the expectation that this theory of crisis was a *consequence* of the "law."<sup>32</sup>

If we turn to Marx's text without any such preconceived notions, then it quickly becomes clear that Marx's considerations do not yield any unified theory of crisis, but contain rather disparate thoughts on crisis theory.<sup>33</sup> The most general formulation of capitalism's tendency to crisis is completely independent of the "law of the tendential fall in the rate of profit"; rather, its starting point is the immediate purpose of capitalist production, surplus-value or rather profit. Here, a fundamental problem becomes apparent:

The conditions for *immediate* exploitation and for the realization of that exploitation are not identical. Not only are they separate in time and space, they are also separate in theory. The former is restricted only by the society's productive forces, the latter by the *proportionality between the different branches of production* and by the society's *power of consumption*. And this is determined neither by the absolute power of production nor by the absolute power of consumption but rather by the power of consumption within a given framework of *antagonistic conditions of distribution*, which reduce the consumption of the vast majority of society to a minimum level, only capable of varying within more or less narrow limits. It is further restricted by the drive for accumulation, the drive to expand capital and produce surplus-value on a larger scale.... The market, therefore, must be continually extended [...] the more productivity develops, the more it comes into conflict with the narrow basis on which the relations of consumption rest. It is in no way a contradiction, on this contradictory basis, that excess capital coexists with a growing surplus population.<sup>34</sup> [italics added]

Here, Marx points out a fundamental contradiction between the tendency towards an unlimited production of surplus-value, and the tendency toward a

limited realization of it, based upon the “antagonistic conditions of distribution.” Marx is not advocating an underconsumptionist theory here, which only takes up capitalism’s limitations upon the possibility for consumption by wage-laborers, since he also includes the “drive to expand capital” in society’s power of consumption.<sup>35</sup> It is not only the consumer demand of the working class, but also the investments of businesses that determine the relationship between production and consumption. However, the limitations upon the drive for accumulation are here not further substantiated by Marx. To do that, it would have been necessary to include the credit system in these observations. On the one hand, the credit system plays a role here, which Marx worked out in the manuscripts for book II. The realization of surplus-value in an amount of money beyond the capital advanced as  $c + v$  is ultimately made possible by the credit system.<sup>36</sup> On the other hand, that which was already clear to Marx in the *Grundrisse* must also be systematically assimilated: “in a general crisis of overproduction the contradiction is not between the different kinds of productive capital, but between industrial and loan capital; between capital as it is directly involved in the production process and capital as it appears as money independently (*relativement*) outside that process.”<sup>37</sup>

So a systematic treatment of crisis theory cannot therefore follow immediately from the “law of the tendency of the rate of profit to fall,” but only *after* the categories of interest-bearing capital and credit have been developed. The theoretical position for crisis theory suggested by Engels’s editorship is definitely wrong, but this suggestion has been extremely influential: many Marxist approaches to crisis theory completely disregard credit relationships and consider the root causes of crisis to be phenomena that have nothing to do with money and credit.

Since Marx’s theory of credit remained fragmentary in the manuscript of 1865, and Marx no longer explicitly took up the question of the relationship between production and credit in his approach to crisis theory, his theory of crisis is not just incomplete in a *quantitative* sense (to the extent that a part is missing); rather, it is incomplete in a *systematic* sense. As the following section demonstrates, this was abundantly clear to Marx—in contrast to many later Marxists.

### Marx’s Research Program in the 1870s

The debates on the tendential fall in the rate of profit and crisis theory conducted in connection with volume III of *Capital* are based upon a text that Marx wrote in 1864–1865. In accordance with the classification introduced in the first part of this article, this text belongs to the first draft of *Capital*. However, Marx did not stop there. The second draft (1866–1871) brought progress in the development of book II; on the themes of book III, only shorter

manuscripts emerged. However, already an expansion of the treatment of the credit system can be observed. In the *Manuscript of 1863–1865*, credit was to be merely a subsidiary point within the section on interest-bearing capital. However, in a letter to Engels from April 30, 1868, in which Marx explains the structure of book III, the treatment of credit is already on an equal footing with interest-bearing capital. On November 14, 1868, Marx writes to Engels that he will “use the chapter on credit for an actual denunciation of this swindle and of commercial morals.”<sup>38</sup> This initially means a comprehensive illustration, however, it is foreseeable that this illustration requires a more far-reaching theoretical advance. Marx already seems to have adjusted to the need for such a deepening: in 1868 and 1869, comprehensive excerpts on credit, the money market, and crises emerge.<sup>39</sup>

The most important changes occurred as Marx was working on the third draft (1871–1881). Presumably, Marx was plagued by considerable doubts concerning the law of the rate of profit. Already in the *Manuscript of 1863–1865*, Marx was not completely convinced with his explanation, as is made clear by the repeated attempts at formulating a justification. These doubts were probably amplified in the course of the 1870s. In 1875, a comprehensive manuscript emerges which was first published under the title *Mathematical Treatment of the Rate of Surplus-Value and Profit Rate*.<sup>40</sup> Here, under various boundary conditions and with many numerical examples, Marx attempts mathematically to grasp the relationship between the rate of surplus-value and the rate of profit. The intent is to demonstrate the “laws” of the “movement of the rate of profit,” whereby it quickly becomes apparent that in principle all sorts of movement are possible.<sup>41</sup> Several times, Marx makes note of possibilities for the rate of profit to increase, although the value-composition of capital was increasing. In the case of a renewed composition of book III, all of these considerations would have had to find their way into a revision of the chapter on the “Law of the Tendency of the Rate of Profit to Fall.” A consistent regard for them should have led to the abandonment of the “law.” Marx also hints at this in a handwritten note he made in his copy of the second edition of volume I, which no longer fits the tendential fall and which Engels incorporated as a footnote in the third and fourth editions: “Note here for working out later: if the extension is only quantitative, then for a greater and a smaller capital in the same branch of business the profits are as the magnitudes of the capitals advanced. If the quantitative extension induces a qualitative change, then the rate of profit on the larger capital rises at the same time.”<sup>42</sup>

Understood in context, the “qualitative extension” refers to a rising value-composition of capital. Marx proceeds here from the assumption of a *rising* rate of profit accompanying a rising value-composition of capital, which is

diametrically opposed to the argument of the law of the rate of profit in the *Manuscript of 1863–1865*.<sup>43</sup>

Changes were also planned in other areas. It is widely known that since 1870, Marx engaged in an intense study of landed-property relations in Russia, and even learned Russian in order to read the corresponding literature.<sup>44</sup> Marx also had a great interest in the United States, which was developing at an immensely rapid pace. An interview with John Swinton from 1878 indicates that Marx was planning on presenting the credit system by means of the conditions in the United States, which would have led to a complete revision of the section on interest and credit.<sup>45</sup> At the same time, England would therefore have no longer been the “*locus classicus*” of the capitalist mode of production, as Marx refers to it in the preface to the first volume of *Capital*.

With regard to crisis theory, Marx is increasingly convinced that inquiry basically has not come far enough for him to proceed to an “appropriate” presentation of the “real movement” that he speaks of in the postface of the second edition of volume I.<sup>46</sup> In a letter to Engels from May 31, 1873, Marx wonders whether it would be possible “to determine mathematically the principal laws governing crises.”<sup>47</sup> Such a possibility would assume that crises proceed with enormous regularity. The fact that Marx raises the question of mathematical determination shows that he is not yet clear about the extent of this regularity. In a letter to Danielson from April 10, 1879, Marx finally writes that he cannot complete the second volume (which was to encompass Books II and III): “before the present English industrial crisis had reached its climax. The phenomena are this time singular, in many respects different from what they were in the past.... It is therefore necessary to watch the present course of things until their maturity before you can ‘consume’ them ‘productively,’ I mean ‘theoretically.’”<sup>48</sup>

So Marx is still in the middle of the process of research and theory-building that must come before the *presentation*. In fact, at the end of the 1870s, Marx was confronted with a new type of crisis: a stagnation lasting for years, which is distinguished sharply from the rapid, conjunctural up and down movement which he had hitherto known. In this context, Marx’s attention is drawn to the now internationally important role of the national banks, which have a considerable influence upon the course of the crisis.<sup>49</sup> The observations reported by Marx make clear that a systematic treatment of crisis theory is not possible on the immediate basis of the law of the tendential fall in the rate of profit (as suggested by Engels’s edition of the third volume of *Capital*), but rather only *after* a presentation of interest-bearing capital and credit. However, if the national banks play such an important role, then it is very doubtful whether the credit system can be categorically presented while

excluding an analysis of the state. The same holds for the world market. It was already clear to Marx in the *Manuscript of 1863–1865* that the world market was “the very basis and living atmosphere of the capitalist mode of production,” but he still was of the opinion that he had to initially abstract from relations on the world market.<sup>50</sup> It is questionable, however, whether or to what extent the presentation of the “shapings of the total process” (*Gestaltungen des Gesamtprozesses*) envisioned by Marx for book III is at all possible in abstraction from the state and the world market.<sup>51</sup> If, however, this is in fact not possible, then the construction of *Capital* as a whole is called into question.

In light of these considerations and extensions, a mere revision of the previously existing manuscripts was no longer a realistic possibility for Marx. The variety of new results, the geographical expansion of perspective (United States and Russia), the new fields of research that have to be integrated—all of this necessitates a fundamental revision of the hitherto existing manuscripts, a fact that is clearly recognized by Marx.<sup>52</sup> In a letter to Ferdinand Domela Nieuwenhuis from June 27, 1880, Marx wrote that “certain economic phenomena are, at this precise moment, entering upon a new phase of development and hence call for fresh appraisal.”<sup>53</sup> A year-and-a-half later, Marx was thinking about a complete revision of the first volume of *Capital*. On December 13, 1881, he wrote to Danielson that the publisher had announced to him that soon a third German edition of the first volume would be necessary. Marx would agree to a small print run with a few minor changes, but then for a fourth edition he would “change the book in the way I should have done at present under different circumstances.”<sup>54</sup> Alas, a version of *Capital* integrating the insights and questions gained in the 1870s remained unwritten.

## Notes

1. Karl Marx and Frederick Engels, *Collected Works* (London: Lawrence and Wishart, 1975), vol. 10, 135 (henceforth *MECW*).
2. These observations can be found in his *Book on Crisis*, a collection of materials about the crisis ordered according to countries. *The Book on Crisis* will be published in Karl Marx and Friedrich Engels, *Gesamtausgabe (MEGA)* (Berlin: Dietz-Verlag, later Akademie-Verlag, 1975), II/14 (henceforth *MEGA*; the *MEGA* is divided in four sections: the Roman number stands for the section, and the Arabic number for the volume in this section.)
3. See Marx to Engels, Dec 8, 1857, *MECW*, vol. 40, 217.
4. *MECW*, vol. 28, 195.
5. *MECW*, vol. 29, 91.
6. Karl Marx, *Capital*, vol. 1 (London: Penguin, 1976), 132.
7. Michael Hardt and Antonio Negri, *Empire* (Cambridge, MA: Harvard University Press, 2000).
8. Marx, *Capital*, vol. 1, 437. A more detailed critique of Marx's arguments in the machine fragment can be found in Michael Heinrich, “The Fragment on Machines: A Marxian Misconception in the Grundrisse and its Overcoming in Capital,” in Riccardo Bellofiore, Guido Starosta, and Peter D. Thomas, eds., *In Marx's Laboratory: Critical Interpretations of the Grundrisse* (Leiden: Brill Academic Press, 2013).
9. *MECW*, vol. 29, 261.
10. Cf. *MECW*, vol. 28, 236, 341; *MECW*, vol. 29, 114–15.
11. *MECW*, vol. 32, 140.
12. See his letter to Kugelmann, December 28, 1862, *MECW*, vol. 41, 435.



13. The double requirement posed by Marx with regard to "capital in general," of presenting a specific content (everything that appears in competition) at a certain level of abstraction (abstracted from individual capitals and the particularities of capital) proved to be unfeasible. The presentation of the process of capitalist reproduction as a whole and the constitution of the social average rate of profit is not possible at this level of abstraction; the distinction between particular sectors of social production and the competition of individual capitals are required. However the process of capitalist reproduction as a whole and the average rate of profit have to be developed before interest-bearing capital can be presented, and the latter has to be presented before the real movement of competition can be dealt with (for a more extensive discussion of this point, see Michael Heinrich, *Die Wissenschaft vom Wert. Die Marx'sche Kritik der politischen Ökonomie zwischen wissenschaftlicher Revolution und klassischer Tradition* [The Science of Value: Marx's Critique of Political Economy Between Scientific Revolution and Classical Tradition], 5th edition (Münster: Westfälisches Dampfboot, 2011); an English translation will be published by Brill in 2014).
14. cf. Marx, *Capital*, vol. 1, 883; Karl Marx, *Capital*, vol. 3 (London: Penguin, 1981), 751.
15. Included in *MEGA*, II/11.
16. *MEGA*, II/4,3.
17. For a more detailed account on this point, see Michael Heinrich, "Reconstruction or Deconstruction? Methodological Controversies about Value and Capital, and New Insights from the Critical Edition," in Riccardo Bellofiore and Roberto Finelli, eds., *Re-reading Marx: New Perspectives After the Critical Edition* (Houndmills: Palgrave Macmillan, 2009), 71–88.
18. Adam Smith, *An Inquiry into the Nature and Causes of the Wealth of Nations*, in *The Glasgow Edition of the Works and the Correspondence of Adam Smith* (Oxford: Oxford University Press 1978), 111. Originally published 1776.
19. David Ricardo, *On the Principles of Political Economy and Taxation*, in Piero Sraffa, ed., *The Works and Correspondence of David Ricardo*, vol. 1 (Cambridge: Cambridge University Press, 1951), 289–300. Originally published 1823.
20. *Ibid.*, 110–127.
21. Marx subjected Ricardo's theory of ground rent to an extensive critique in numerous passages of the *Theories of Surplus-Value*, see *MECW*, vol. 31, 457–551. A critique of Ricardo's explanation of the falling profit rate can be found in *MECW*, vol. 32, 72–103.
22. Marx, *Capital*, vol. 3, 319–20.
23. *Ibid.*, 970.
24. Marx, *Capital*, vol. 1, 91.
25. Marx, *Capital*, vol. 3, Chapter 13.
26. *Ibid.*, Chapter 14.
27. Simon Clarke, like many others, accentuates that Marx's profit law has to be seen not in isolation but in a "wider theoretical context" as part of the "complex analysis of secular tendencies of capitalist accumulation." See *Marx's Theory of Crisis* (London: Macmillan, 1994), 208. Nevertheless in Chapter 13 of *Capital*, vol. 3, Marx begins with a discussion of the profit law in such isolation. Marx knows very well that before putting an issue in a wider context, first we have to provide arguments for it. However when the basic arguments already prove to be wrong, they will not become correct by putting them in a wider context. Therefore the profit law will be discussed in the same abstract context in which it was introduced by Marx in Chapter 13.
28. In the case of the "counteracting factors," the first point dealt with by Marx is the increase in the rate of exploitation—but not as a result of the deployment of machinery, but rather as a result of the prolongation of the working day and the intensification of labor. So in the case of the "counteracting factors," we are dealing with an additional increase of the rate of surplus-value.
29. Marx, *Capital*, vol. 3, 356.
30. The many "proofs" of the law that can be found in the literature, either rest upon logical errors, similar to those just demonstrated in the case of Marx, or upon absurd assumptions, such as the precondition that  $v = 0$ , as in the work of Andrew Kliman, *Reclaiming Marx's 'Capital': A Refutation of the Myth of Inconsistency* (Lanham: Lexington, 2007).
31. This problem is discussed, as well as the various attempts at rescuing Marx's law, in Heinrich, *Die Wissenschaft vom Wert*.
32. Of course Engels's intention was not to deceive the reader. He wanted, as he emphasized, to create a "readable" edition. In doing so, he made certain editorial decisions which were not recognizable as editorial decisions to the reader, but which considerably influenced the reader's understanding of the text. For more on this, see Michael Heinrich, "Engels' Edition and Marx's Original Manuscript," *Science & Society* 80, no. 4, (Winter 1996/97): 452–86; and Jürgen Jungnickel and Carl-Erich Voßgraf, "Marx in Marx's Words?," *International Journal of Political Economy* 32, no. 1 (Spring 2002): 35–78.
33. The various approaches are dealt with more extensively in Heinrich, *Die Wissenschaft vom Wert*; see also *An Introduction to the Three Volumes of Karl Marx's Capital* (New York: Monthly Review Press, 2012).
34. Marx, *Capital*, vol. 3, 352–53.

## CRISIS THEORY AND THE FALLING RATE OF PROFIT

35. Although sometimes formulations can be found that could be understood as underconsumptionist; see Marx, *Capital*, vol. 3, 615.
36. At the level of abstraction of book II, where the category of interest-bearing capital has not yet been developed, Marx can only explain this additional amount of money with the anachronistic assumption of additional money reserves of the capitalists.
37. *MECW*, vol. 28, 340.
38. *MECW*, vol. 43, 180.
39. They will be published in *MEGA* IV/19.
40. *MEGA* II/14.
41. *MEGA* II/14, 128.
42. Marx, *Capital*, vol. 1, 781.
43. On the basis of this note, Shalom Groll and Ze'ev Orzech already supposed that Marx doubted his own law of the rate of profit. In light of the manuscripts from the 1870s that have been published in the meantime, this supposition has gained considerable plausibility. See their "Technical Progress and Value in Marx's Theory of the Decline in the Rate of Profit: an Exegetical Approach," *History of Political Economy* 19, no. 4 (1987): 804.
44. See, among other things, his letter to Kugelmann from June 27, 1870, *MECW*, vol. 43, 528. In connection with his study of Russian landed-property relations, as well as further ethnological studies, Marx also finally transcends the Eurocentrism that one finds in his writings on India from the 1850s. See Kevin B. Anderson, *Marx at the Margins: On Nationalism, Ethnicity, and Non-Western Societies* (Chicago: University of Chicago Press, 2010), and Kolja Lindner, "Marx Eurocentrism: Postcolonial Studies and Marx Scholarship," *Radical Philosophy* 161 (2010): 27–41.
45. See *MECW*, vol. 24, 583–85. It is noteworthy, however, that Marx apparently was not familiar with the book *Lombard Street: A Description of the Money Market* (1873) by Walter Bagehot—the publisher of *The Economist*, which Marx read regularly. This book is regarded today as the first formulation of the principles of a money market managed by a central bank.
46. Marx, *Capital*, vol. 1, 102.
47. *MECW*, vol. 44, 504.
48. *MECW*, vol. 45, 354, accentuation by Marx.
49. See *ibid.*, as well as the letter to Danielson from September 12, 1880, *MECW*, vol. 46, 31.
50. Marx, *Capital*, vol. 3, 205.
51. Marx used this title for book III after 1864–65. He also used it in the preface to the first edition of volume I when announcing the future volumes. Engels changed this to "The total process of capitalist production." This difference between the announcement of book III in the preface of book I (stressing "shapings") and the title of book III in the edition of Engels (stressing "production") is not very clear in the English translation.
52. These were not just limited to the already mentioned landed property, credit, and crisis. The excerpts from the 1870s also dealt with physiology, geology, and the history of technology. They not only show the broad areas of interest to Marx, they are also of direct relevance to *Capital*: Marx's earlier engagement with technological questions, which were at the foundation of the first volume published in 1867, were no longer sufficient in light of the state of technical progress that in the meantime had considerably changed not just production, but also communication.
53. *MECW*, vol. 46, 18.
54. *MECW*, vol. 46, 181. The unfortunate circumstances mentioned here refer to Marx's poor health and the death of his wife Jenny on December 2, 1881.

# The Military Defeat of the South Africans in Angola

Horace Campbell

*In Angola in the spring of 1988 the armed forces of apartheid South Africa and the US-backed mercenaries of Jonas Savimbi were defeated by the combined force of the Cuban military, the Angolan army, and the military units of the liberation movements of South Africa and Namibia. This led directly to the independence of Namibia and then to the fall of the apartheid regime in South Africa itself. Cuba's heroic role is the outstanding example of principled anti-imperialist internationalism in the last decades of the twentieth century.*

*We celebrate the twenty-fifth anniversary of these events by reprinting the account by Horace Campbell that appeared in Monthly Review in April 1989, with some pride at having published so sharp an analysis of current events—events largely ignored by the mass media then and since. We then present a military-focused historical analysis by Monthly Review Press author Ronnie Kasrils, who had the extraordinary fate to have headed ANC military intelligence in the battle alongside the Cubans, and then to have served for five years as Deputy Minister of Defense in the post-apartheid South African government—in regular contact with officers who had commanded the opposing forces.—The Editors*

## Introduction

Ten years after United Nations Resolution 435 laid the basis for an independent Namibia, the South Africans agreed to withdraw from the territory they still occupied in defiance of international opinion. In a ceremony at UN headquarters in New York on December 22, 1988, an agreement was signed by Angola, Cuba, and South Africa, with the United States ostensibly acting as mediator. This accord was a major step toward self-determination for the peoples of Southern Africa, for it finally gave the United Nations

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## THE MILITARY DEFEAT OF THE SOUTH AFRICANS IN ANGOLA

Transitional Group the go-ahead to implement steps for the withdrawal of South African troops from Namibia and the return of refugees, elections, and independence to the former Portuguese colony. This historic agreement came not because of the tenacious negotiating of U.S. Assistant Secretary of State for African Affairs Chester Crocker, but because of the decisive military defeat of the South African forces at Cuito Cuanavale in Angola (see map on page 43).

Between October 1987 and June 1988, in the fiercest conventional battles on African soil since Erwin Rommel was defeated at El Amien, the South African Defence Forces (SADF) fought pitched tank and artillery battles with the Angolan army (FAPLA, the People's Armed Forces for the Liberation of Angola) and its Cuban supporters at Cuito Cuanavale. This small base located in southeastern Angola became important in the military history of Africa, for there the South African army, supposedly the best on the continent, was trapped with its tanks and artillery and held down more than 300 miles from its bases in Namibia. Failing to take Cuito Cuanavale with over 9,000 soldiers, even after announcing that it had done so, losing air superiority, and faced with mutinies among black troops and a high casualty rate among whites, the South Africans reached such a desperate situation that President Botha had to fly to the war zone when the operational command of the SADF broke down.

With Cuban reinforcements, the Angolans withstood major assaults on January 23, February 25, and March 23. The South Africans were repulsed with heavy losses, and the Angolan/Cuban forces seized the initiative. For the first time since 1981, the Angolan army was able to reoccupy the area adjacent to Namibia. So confident were the Angolans and Cubans, that in the space of less than three months they built two air strips to consolidate their recapture of the southern province of Cunene. Trapped by the rainy season, bogged down by the terrain, and encircled, the South Africans made one desperate attempt to break out on June 27 and were again defeated. One South African newspaper called the defeat "a crushing humiliation."

These episodes of war were followed by diplomatic initiatives that the South Africans had previously been able to block. After the March 23 reversals at Cuito Cuanavale, the South Africans started talks that culminated in the December 22 agreement. For the Angolans, who had been fighting continuously since 1961, the war and diplomacy were focused not only on the limited question of the South African withdrawal from Angola, but also on ending South African destabilization of the region and on independence for Namibia. Diplomatic initiatives accelerated after the South Africans failed to break out of their encirclement at Tchipo on June 27. Only then could the frontline combatants and the United States agree on the basis for withdrawal of the South Africans from Angola.

## The Militarization of Africa

To understand the war in Angola and Southern Africa, it is crucial to comprehend militarization both at the basic level of arms transfers, weapons systems, military expenditures, and armed intervention, and also at the broader level of state power. Militarization in Southern Africa is the process by which the South African state attempts to solve its political contradictions by means of force. Its fetishism of weapons systems has become interwoven with the mystique of white superiority, as the South African army has spread all kinds of warfare across Southern Africa. It is always necessary to bear in mind the larger issues underlying militarization in Southern Africa, so that the implications of the military defeat of the South Africans for the political, social, and economic transformation of Africa can be seen.

War has always speeded the transformation or regression of society. Many times a particular battle like Cuito Cuanavale becomes decisive and becomes the basis for a change in the overall struggle of which it is a part. Von Clausewitz spoke of defense as a higher form of warfare when both combatants have the same means. This principle was important in the context of the military defeat of the South Africans, for in the siege of Cuito Cuanavale, the Angolans were not only defending their own sovereignty but also fighting for the self-determination of the African people.

Von Clausewitz also said that "no one starts a war without being clear in their mind what the real objectives are, and what they intend to achieve. The first is the political purpose and the second is the operational objective." In the context of the war in Southern Africa, the South Africans confused their political objectives with their operational objectives and with what was actually possible given the limitations of the form of organization of South African society. Because of what South Africa represents, the fetishism of weapons became interwoven with the mystique of white superiority. But the South African militarists underestimated the capacity of the African people to resist apartheid, both outside and inside South Africa.

Militarization in Southern Africa stems from two sources: (1) Africa's ties to the global armaments culture, and (2) the unfinished decolonization process in Africa. It encompasses all the techniques of modern military warfare, but the principal cause of its persistence is the attempt by South Africa to perpetuate a form of government that has become outmoded.

In all societies, Marx said, there is a point where the changes in the material relations can be measured with the precision of natural science. In Southern Africa, these changes have undermined the idea of separate development. At the political, philosophical, and cultural level men and women have come to understand what has happened and are fighting to transform society. In Southern Africa, there is a war between the old idea of white domination and the new idea of black liberation, as well as a clash

between weapons systems, forms of political organization, and the cultures of Europe and Africa. The point where these contradictions are concentrated is the state of South Africa, where the white ruling class can no longer rule by normal means.

In the townships, there are 39,000 troops that enforce the subjugation of the African people. This brutality is so well documented that there is a United Nations arms embargo against South Africa. But this militarization of state and society has failed to crush the resistance of the democratic forces. The state of emergency—involving a ban on all political groups, the imprisonment even of nine-year-old children, and the holding of an entire society under siege—reflects the failure of apartheid to legitimate itself through ideological means.

No society can be ruled by force on a day-to-day basis. As Napoleon once said, "One can do anything with bayonets but sit on them." Political stability requires that there be a coherent, widely accepted ideology that gives the oppressors confidence in their right to rule and resigns the oppressed to their subordination. In South Africa, the ideology of white supremacy has fallen apart. To postpone the inevitable reorganization of the region, the South Africans carry war to those societies that have articulated a higher form of social organization, at both the level of racial democracy and that of the planned use of resources for the majority of the population. This desperation of the South Africans in the face of challenges to their racist order explains the intensity of the wars in Angola and Mozambique, wars that have cost these societies thousands of lives and more than \$30 billion.

It is important to understand the scope and nature of the spread of the apartheid war machine across Southern Africa:

1. The South Africa-backed contra war in Mozambique has devastated the country. More than a million Mozambicans have been driven from their communities, over 250,000 have been killed or maimed, and the whole economy of Mozambique has been irreparably damaged. The territorial integrity of Mozambique is upheld by the intervention of Zimbabwean troops (and, until IMF pressures forced their withdrawal, by Tanzanian troops).
2. There is a war of economic destabilization against the nine states of the Southern Africa Development Coordinating Conference—Angola, Botswana, Lesotho, Malawi, Mozambique, Swaziland, Tanzania, Zambia, and Zimbabwe. South Africa supported a coup in Lesotho in 1986 and backed an unsuccessful mercenary intervention in the Seychelles in 1981. It was behind a coup attempt in Tanzania in 1983 and has provided continuous support for armed elements in Zimbabwe since independence. The South Africans have carried out raids on Maputo (Mozambique), Harare (Zimbabwe), and Gaborone (Botswana), and



attacked refugees in Swaziland.

3. There is a counterinsurgency war in Namibia. Here the South Africans have over 120,000 troops, making it one of the most militarized spaces on the earth. This war has spilled over into a conventional war in Angola.

### The Struggle For Independence in Angola

Angola does not border South Africa. This point is important to understanding why the South Africans became militarily involved there. A major reason was that the Angolan economy is not as integrated into the South African economy as the other economies of Southern Africa are.

Angola is potentially one of the wealthiest countries in Africa, and international capital is still involved in a fierce competition for its resources. It is one of Africa's leading oil producers, and before 1973 it was a major diamond and coffee source, and, with a population of just over 8 million, has been underpopulated since the time of the slave trade. Portugal was so poor that it could never fully exploit the resources of its colony and opened it to capital from other exploiters. U.S. investments dominated in petroleum, British capital in diamonds and the Benguela railway, German capital in the iron mines at Kassinga, and Japanese, French, and other capital in other resources. This multinational character of capital in Angola meant that Portugal was *de facto* administering its colony on behalf of the European Economic Community and the United States.

The anticolonial struggle took international form from the outset, because the external orientation of the Portuguese colonies influenced the evolution of the liberation movements: their origins, ideological outlook, political orientation, and external support.

Three movements emerged out of the fragmented colonial situation:

1. The MPLA (Popular Movement for the Liberation of Angola) was the oldest and was rooted in the urban working class. This party, led by Agostino Neto, was linked to the intelligentsia, the educated mulattoes, and the workers in the segregated ghettos of Luanda. It was this party that largely carried out the anticolonial war and effectively thwarted foreign intervention on the eve of independence.
2. The UPA (Union of Peoples of Angola) was originally formed as part of the attempt of sections of the Congolese aristocracy to link up with the rebelling masses of the regions adjacent to Zaire. Founded by Holden Roberto, it changed its name to the Front for the Liberation of Angola (FLNA) as part of an attempt to go beyond a tribal basis and reach out to groups not previously in the UPA. FLNA never seriously fought the Portuguese, and information is now coming out about the treachery of this organization, which the South Africans tried to place in power in 1975.
3. UNITA (Union for the Total Liberation of Angola) was formed in



1966 by the foreign minister of FLNA, Jonas Savimbi. He broke away from the FLNA, saying that its leadership was tribalist and captive to the CIA. Whatever political capital UNITA may have had (and this is all quite questionable now, given the revelation that Savimbi had been linked to the Portuguese army) was certain to evaporate once UNITA allied with the South Africans.

### **The First Defeat of South Africa, 1975–1976**

The anticolonial struggle in Angola, which led to the 1974 coup in Portugal, was a turning point for Southern Africa. South Africa intervened with CIA support by land, sea, and air to stop the MPLA from coming to power. The Angolans asked for Cuban help to defeat the invasion led by South Africans, Zairian regulars, and CIA mercenaries. The South African invasion was turned back outside Luanda. South Africa never accepted its defeat; the 1987–1988 siege of Cuito Cuanavale was only the most recent in a number of stages in the ensuing military buildup. But the 1976 defeat at Luanda, and that in Mozambique a year earlier, also inspired the generation that was maturing in the South African townships. The 1976 Soweto uprisings and their aftermath formed an important watershed in the militarization of the state and society in Southern Africa.\*

It was after the first defeat in Angola and the uprisings in Soweto that the generals of the SADF formulated the “Total Strategy,” a multidimensional preparation for war, involving a political strategy (the support of dissident groups to oppose liberation movements all over the region); an economic strategy (creating dependence on South African transport, communications, air traffic, rails, harbors, agriculture, mining equipment—in effect, ensuring that the region remain open to South African capital); psychological warfare (promoting the idea that Africans cannot rule themselves, that Africans are inferior); and a military strategy. Their intention was to have the Total Strategy be primarily political, economic, and psychological, making the military effort secondary.

After the defeat in Angola and the uprisings in Soweto, a number of stages led up to the South African humiliation at Cuito Cuanavale.

### **The War in 1976–1980**

In this period, the South Africans were on the defensive politically and diplomatically, but were staging a massive military buildup in Namibia. They began conscription, constructed new military bases, and made raids against the Southwest African People’s Organization (SWAPO), which had moved its headquarters to Luanda from Dar es Salaam after 1976. Thousands of youths dodged conscription in the tribal regiments and joined SWAPO.

It was at this point that the South Africans organized UNITA, which had previously been wandering in Angola without a clear mission. The role of

UNITA changed drastically when the Carter administration persuaded the Chinese to give it 800 tons of weapons. This kind of weaponry enabled UNITA to wage conventional war; its officers were trained in Morocco, and it was thoroughly integrated into the military strategy of the SADF. This was a strange twist of history, for UNITA got its first weapons from SWAPO, to fight against the Portuguese. UNITA was now used to track SWAPO while the South African air force bombed its concentrations in Angola. It was in one such raid that the South Africans carried out the Kassinga massacre, in which over 800 people were killed at a SWAPO refugee camp in 1978. The ensuing international outcry led to the adoption of UN Resolution 435 in 1978, detailing steps leading to the independence of Namibia: briefly, the withdrawal of South African troops, the return of Namibian refugees, UN-supervised elections, and the “granting” of independence.

### **Phase Two: 1981–1984**

The 1980 Republican electoral victory in the United States emboldened the South African government. Washington and Pretoria vowed that there should be no red flag over Windhoek. In this climate, the South Africans began a major conventional war in Angola, and the United States developed its policy of “constructive engagement and linkage.” In simple terms, this policy was a way for the South Africans to buy time to deepen apartheid structures in Namibia while Chester Crocker used the international media to divert attention from South African atrocities by linking the independence of Namibia to the withdrawal of the Cubans from Angola.

From 1981 to 1988, the SADF occupied the provinces of Cunene and Cuando Cubango in Angola. FAPLA, the Angolan army, was not prepared for this massive invasion of over 11,000 troops with the most sophisticated artillery pieces available. The South African command closely coordinated its air force and army. If the army found resistance, the air arm came in with surgical bombing strikes and then the ground troops moved forward. The provincial capital of Ngiva was sacked. Over 100,000 peasants fled their homes. The southern provinces of Angola were occupied until December of 1981, and the SADF did not withdraw even after the UN Resolution condemning the invasion. The SADF used this occupation to put elements of UNITA in place on the Namibian-Angolan border.

A major South African objective was to destabilize Angola so that the reconstruction of its economy would be postponed. UNITA carried out attacks on economic targets, especially railways, and kidnapped expatriate workers. UNITA's headquarters was moved to Jamba, near the Namibian border, in order to be more closely integrated into the South African command structure.

### **The Lusaka Accord of 1984**

The next major South African invasion took place in August 1983. Here UNITA announced it had taken Cangamba. The South African air force destroyed it and turned the rubble over to UNITA to show off to journalists flown in from Zambia. South Africa wanted UNITA to take Cuvelai so that the front of the war could be driven northward. Its self-confidence was heightened by the invasion of Grenada, when anticommunist rhetoric in the United States reached an incredible peak. The South African government intended an all-out attack on Luanda, the capital of Angola. This was a case in which operational objectives were confused with the political rhetoric of anticommunism. The South African generals said that it was operationally impossible to take Luanda, but the Magnus Malan faction within the State Security Council wanted to intensify the war. The Angolans were getting more experienced, and the South Africans' Operation Askari failed. This failure led the United States to intercede on behalf of South African troops encircled in Angola. The resulting accord was named after the Zambian capital, Lusaka. It set up a joint military commission to oversee the withdrawal of South African troops.

South Africa was increasingly caught in a complex contradiction. The conscription of blacks into its armed forces was limited by the racism of the white ruling class. The army, therefore, had to be mainly white, and the domestic labor force to be mainly black. But black factory workers knew they were producing weapons to be used against their sisters, brothers, and children, and they resisted. Only an end to racist practices could have resolved the military dilemma of the whites, but in that event there would be no political dilemma remaining to be resolved by military means. This fact should be uppermost in the minds of those who want to conceptualize the nature of the military in South Africa after apartheid.

### **The Third Period: 1984–1987**

In September, FAPLA forces started to drive against Jamba, near the Namibian border. South Africa intervened, but with the uprisings in the townships it could not carry the battle and called upon the United States to help. The United States supplied Stinger missiles to UNITA and \$15 million additional aid. UNITA itself lacked the administrative and military infrastructure to manage this assistance, which in fact went indirectly to the South Africans. During the siege of Cuito Cuanavale, Savimbi complained that the South Africans worked out the cost of the battle and told him he had to "ask his friends to pay." The United States also reactivated the base at Kamina in Zaire, where the CIA was dropping supplies for the South Africans via UNITA. The U.S. support for UNITA, and in essence the SADF, led to the final stage of the war.

## The Defeat of the SADF

Operation Modular Hooper was launched to seize Menongue and set up a provisional UNITA government as a pretext for increased U.S. support. Building the roads and transporting heavy equipment for over 9,000 SADF regulars took six months.

The Angolans launched an offensive against Savimbi's base areas in southeastern Angola, and the battle at the Lomba River was the preamble to the big battle at Cuito Cuanavale, where the Angolans decided to set up a defensive line. The SADF started its siege in November of 1987. When they faced stiff resistance from the Angolans, the operational command of the SADF broke down. It was at this point that President Botha had to boost the morale of his troops in person. This visit prompted the fortification of the Angolan position by the Cubans, who had been out of direct fighting since 1981. The Cuban command calculated that if the FAPLA defensive line broke the Cuban forces themselves would be threatened. The siege of Cuito Cuanavale now involved all the combatants of the Angolan theater of the war: the Angolans, the Cubans, SWAPO, and the ANC on one side; and the SADF, the Americans, and UNITA on the other.

Supported by radar on the ground, Angolan and Cuban MiG 23s proved superior to the South African Air Force. With its air force grounded and its tanks stopped by mines and difficult terrain, the besieging force was reduced to shelling Cuito Cuanavale at long range for three months. In major ground battles in January, February, and March, the South Africans failed to take it.

By the time of the March attack, the conditions of battle had begun to turn against the SADF. First there was a mutiny by the conscripted troops of the Southwest African Territorial Force. The South Africans were racist even in military tactics, and placed black troops in front of the white troops to bear the brunt of the fighting. Second, the heavy equipment bogged down on the eastern bank of the Cuito during the rainy season. Most important, without air support, the South Africans were outgunned by the Angolans. By the end of March the South African siege was over and the South Africans themselves were trapped and under siege.

The war became more and more unpopular in South Africa when young whites began coming home in body bags. This intensified the End Conscription campaign in South Africa and forced the South Africans to take steps leading to the talks among the principal combatants: the Angolans, the Cubans, the South Africans, and the United States. (It is important to see the United States as a combatant, and not as a peacemaker, as the Western media have suggested.) So confident were the Cubans and Angolans after repulsing the South Africans that in the space of two months they built two airfields to consolidate their control of the southern provinces. At this point

the United States attempted to open a new front in the north with UNITA. The calculation was that as long as UNITA was integrated into the SADF there would be little popular support for it in the United States. The U.S. military carried out exercises called Operation Flintlock in May to drop supplies for UNITA, hoping to relieve the trapped South African forces.

The reversal of the South Africans' military fortunes was sealed at Tchipa on June 27, 1988. Here the SADF tried to open a new front to relieve the troops trapped at Cuito Cuanavale. In this decisive battle, the FAPLA forces confirmed their air superiority. When the news of their defeat at Calueque Dam reached South Africa, more young whites protested against the draft. One South African newspaper called the battle of Tchipa "a crushing humiliation." It said, "The SADF resembled the trenches of the Somme, rather than the troops of a mobile counterinsurgency force."

### The Conference Table

The talks and jockeying about the independence in Namibia should be seen as an attempt to win at the conference table what South Africa had lost in battle. But in reality the South Africans had only two genuine choices: to negotiate a capitulation or to surrender openly. The siege of Cuito Cuanavale ended after the SADF agreed to withdraw from Namibia. There was dithering at the diplomatic level as the prime minister of South Africa tried to get Zaire to continue the war, the Americans tried through third parties to pressure Angola to form a government of national unity with UNITA, and the Western press tried to link the South African retreat to the withdrawal of the Cuban troops from Angola. The United States has since used its influence in the UN Security Council to water down Resolution 435 by limiting the deployment of UN troops in Namibia. At the same time, the South Africans are deploying former commandos of Koevet, a death squad-type organization, in an attempt to prevent a massive victory by SWAPO. But the siege of Cuito Cuanavale was a turning point in the process of militarization in Africa. It opened the way for the genuine decolonization of Namibia.

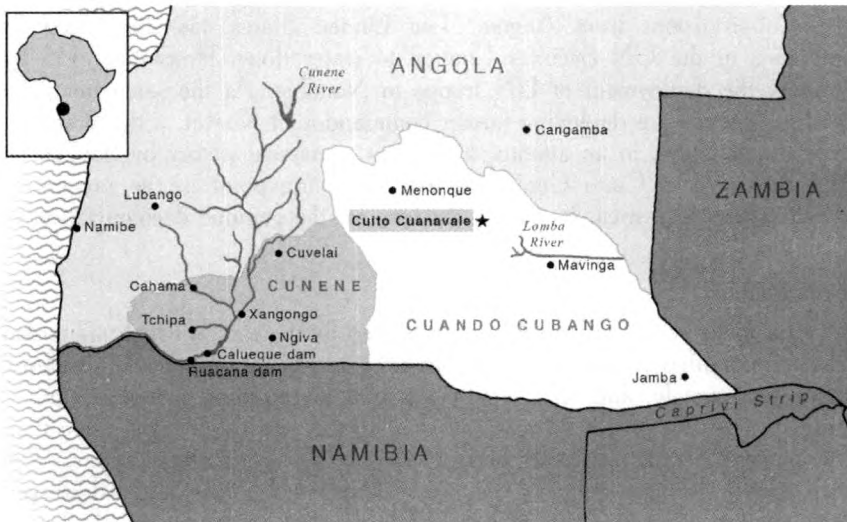
### Conclusion

Our focus on the military has been guided by the way in which militarism has compounded the crisis of reconstruction in Africa. Angola has suffered disproportionately, and its economy has had to postpone reorganization in order to meet the South African invasion. In the past three years, more than 50 percent of the Angolan budget had to be spent on weapons. The Angolans will inherit refugees, amputees, demolished homes, and a destroyed economic infrastructure after this war. The political and economic challenges facing the Angolan society will be as formidable as the military battles with

the SADF were.

War has profound effects on any society, and the impact of Cuito Cuanavale is still unfolding in Southern Africa. In Namibia, SWAPO and others struggling for independence now have renewed confidence. The siege of Cuito Cuanavale has changed the military balance in Southern Africa on the side of liberation; self-determination, not white domination, is the agenda of Africa today. But the cost of the war also highlighted the tremendous burdens that have been placed on the African peoples who bear the brunt of capitalist oppression. The political and economic battles they now face will be as demanding as the military struggles from which they have so recently emerged victorious. These tasks confront a generation that has matured in the post-independence period. The unfolding of this process will have repercussions well beyond Africa.

*Interested readers can find the endnotes from the original version in the Monthly Review archives or online at <http://monthlyreview.org>.*



# Cuito Cuanavale, Angola

## *25th Anniversary of a Historic African Battle*

Ronnie Kasrils

Prohibited from meeting openly by South Africa's apartheid government, the Seventh Congress of the South African Communist Party was held in Cuba in April 1989. When Jorge Risquet, one of Fidel Castro's shrewdest and most trusted colleagues, addressed the gathered members, he was greeted with the resounding salutation "Viva Cuito Cuanavale!"

For the South African delegates, many who had come from military duty in Angola itself where the African National Congress (ANC) had military training facilities courtesy of the government, there was no doubt whatsoever that an epic victory had been recently won at the remote town of Cuito Cuanavale in Angola. The loser was the apartheid military machine in that embattled country in March 1988, constituting a historic turning point in the struggle for the total liberation of the region from racist rule and aggression.

When Risquet quoted Castro's assertion that "the history of Africa will be written as before and after Cuito Cuanavale," he brought the house down. Nelson Mandela, at that point in time still a prisoner in an apartheid jail, later affirmed that the battle was indeed "a turning point for the liberation of our continent and my people."<sup>1</sup>

To appreciate the scope of the battle's outcome some background is required. The early 1960s had seen the emergence of armed liberation movements in South Africa, Zimbabwe, Namibia, Angola, and Mozambique. Portuguese colonialism ruled the roost in the latter two colonial possessions; apartheid South Africa held sway in Namibia (then South West Africa), and also supported Ian Smith's colonial settler regime in what was still called Rhodesia (now Zimbabwe). Africa's oldest liberation movement, the ANC, had been established in South Africa in 1912 and, until the Sharpeville massacre of 1960, had followed a path of non-violent struggle. The violence of the apartheid regime, compounded by the outlawing of the ANC and other organizations that year, resulted in the turn to armed resistance under Mandela's leadership. The MPLA (People's Movement for the Liberation of Angola) in Angola, FRELIMO (Mozambique Liberation Front) in Mozambique, SWAPO (South West African Peoples

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Organisation) in Namibia, and ZAPU (Zimbabwe African People's Union) as well as its offshoot ZANU (Zimbabwe African National Union), in Zimbabwe, all followed similar paths. When Portuguese colonialism collapsed in 1974, Angola and Mozambique emerged as independent states under the leadership of the MPLA and FRELIMO, respectively. All these organizations had the military and political support of either the Soviet Union or China (or both), in addition to other socialist states like Cuba. The racist South African Defence Force (SADF), with the CIA's active involvement, invaded Angola in 1975 to assist UNITA (Union for the Total Liberation of Angola) in its attempt to seize power. UNITA was led by the quisling Jonas Savimba and backed by the CIA and, until the 1974 coup, Portugal. The MPLA government, which had the majority support of Angola's people, consequently requested assistance from Cuba. The result was immediate and the SADF were rebuffed within a year, withdrawing ignominiously across the southern border into Namibia—a racist protectorate of apartheid South Africa. Cuban forces and Soviet advisers remained in Angola to help that country consolidate its independence against repeated forays by both the SADF and UNITA's stubborn and vicious CIA-aided bandit war.

For another dozen years the southern part of Angola was subject to repeated incursions by the SADF in their support for Savimbi's UNITA; it had a protected stronghold in Jamba, close to the Caprivi Strip border with Namibia and the network of SADF bases in remote and arid terrain. This was a tumultuous decade for the region. Ian Smith's colonial regime in Zimbabwe (formerly Rhodesia) was overthrown; newly independent Mozambique was plagued by surrogate bandit forces (RENAMO, the Mozambican National Resistance), who were supplied and aided by apartheid South Africa; a protracted armed struggle in Namibia was led by SWAPO forces with rear bases in Angola; and the escalation of mass political and armed struggle was led by the ANC in South Africa.

The newly independent African states of the region could not countenance the status quo, and Angola in particular was fighting for its very survival to crush UNITA and eject the SADF presence. Soviet advisers and the Cuba command in Angola gave assistance in support of these aims.

It was against this background in July 1987 that several brigades of Angola's military force FAPLA (People's Armed Forces for the Liberation of Angola) advanced south in an effort to crush UNITA. This was followed by an invasion by SADF forces in October, who came to UNITA's assistance and nearly led to catastrophe for the MPLA government in Luanda. But a dramatic reversal came in March 1988 after crack Cuban internationalist forces from Havana came to the rescue. By the year's end the tables had been dramatically turned on the SADF and the Pretoria apartheid regime, resulting in an epic regional change in favor of African liberation.

The generals and pundits of the former SADF are at pains to claim victory in Cuito Cuanavale.<sup>2</sup> But the acid test in this continuing debate is the

outcome—which was the end of apartheid. The SADF, which had carried out continuous invasions and incursions into Angola since that country's hard-won independence in 1975 (and the reason for the Cuban military presence in the first place), had been forced totally to withdraw; the independence of Namibia had been agreed upon; and the prospect for South African freedom had never been more promising. Before the battle for Cuito Cuanavale started in October 1987, the apartheid regime was implacably opposed to any of those options. Whilst the post-Cuito negotiations also agreed on Cuban troop withdrawal from Angola and the relocation of ANC military camps to Uganda, this was not a set-back in light of the enormity of the strategic gains. In commemorating the twenty-fifth anniversary of the battle this year and the historic outcome that changed the face of southern Africa, it is necessary to clarify exactly what transpired.

It is a paradox that the place where Southern Africa's history dramatically turned should be so well off the beaten track. Cuito Cuanavale is a minor town near the confluence of two rivers that constitute its name, set in a rural expanse of southeast Angola; this region is so remote that the Portuguese referred to it as the Land at the End of the Earth.

The prelude to the battle started in July 1987 when Angolan government forces (FAPLA), under the guidance of Soviet military officers, attempted to advance on Jonas Savimbi's UNITA stronghold at Mavinga. This was the strategic key to his base at Jamba near the Caprivi Strip—a long finger of land, under South African military control, stretching as far as Zambia. At first the offensive progressed well and FAPLA gained the upper hand, inflicting heavy casualties on UNITA and driving them south towards Mavinga. Then in October, FAPLA's advancing 47th Brigade, forty kilometers southeast of Cuito at the Lomba River, was all but destroyed in an attack by SADF forces hastening from Namibia to UNITA's rescue. Catastrophe followed as several other FAPLA brigades wilted under heavy bombardment, and bedraggled stragglers retreated to Cuito Cuanavale. The situation could not have been graver. Cuito could have been overrun then and there by the SADF, changing the strategic situation overnight. The interior of the country would have been opened up to domination by UNITA, resulting in Angola being split in half—something Pretoria and Savimbi had been aiming at for years. But the SADF failed to seize the initiative. This allowed an initial contingent of 120 Cuban troops to rush to the town from Menongue, 150 kilometers to the northwest, and help organize the defenses. As the ferocious siege developed, Pretoria's generals and western diplomats predicted Cuito's imminent fall.

I have had the opportunity to hear the views on this battle from both Fidel Castro on the one hand, and General Kat Liebenberg, a South African army chief at the time, on the other. The briefing from Castro took place in Havana's Defence Ministry at the end of 1988. He pointed out the drama that had unfolded on a huge tabletop sand model of southern Angola. Our

delegation, headed by South African Communist Party leader Joe Slovo, hung onto his every word. Castro observed that the SADF was far too cautious and missed a remarkable opportunity; after their success on the Lomba, they could have quickly taken the town.<sup>3</sup>

According to General Liebenberg, with whom I later established a convivial relationship during South Africa's peace negotiations in 1993–1994, the SADF's main aim, apart from stopping FAPLA's advance, was to keep the town under constant bombardment to prevent its airstrip from being used. He politely stuck to the conventional SADF face-saving explanation, for he knew well that if Cuito had been taken, UNITA would have been placed in a most advantageous position. But admitting that meant they had failed in their objective.

The actions of the SADF are clear evidence of their determination to breakthrough to the town. For six months they threw everything they had at the beleaguered outpost, in their desire to seize the prize. They relentlessly pounded Cuito with massive 155mm G-5 canons and staged attack after attack led by the crack 61st mechanized battalion, 32 "Buffalo" Battalion, and later 4th SA Infantry group. The defenders doggedly held out, reinforced by 1,500 elite troops that arrived from Cuba in December 1987. By March 23, 1988, the last major attack on Cuito was "brought to a grinding and definite halt," in the words of 32 Battalion commander, Colonel Jan Breytenbach.<sup>4</sup> He writes: "the Unita soldiers did a lot of dying that day" and "the full weight of FAPLA's [firepower] was brought down on the heads of [SADF] Regiment President Steyn and the already bleeding Unita." The SADF deployed upwards of 5,000 men at Cuito Cuanavale, according to their commander-in-chief General Jan Geldenhuys, plus several thousand UNITA troops.<sup>5</sup> They were repulsed by the Cubans and 6,000 FAPLA defenders. While these are not huge numbers by international standards, they were extremely significant in the Angolan bush context. Tens of thousands of Angolan and Cuban troops were stationed around the vast country, and as many SADF forces were deployed in Namibia.

The numerous pro-SADF accounts focus on the engagements leading up to Cuito Cuanavale and the siege itself, dutifully recording their battlefield maneuvers and achievements. Indeed they describe tactical efficiency and resourcefulness, but they cannot conceal the fact that they failed to conquer the town, and they downplay the later decisive military developments in the southwest on the Namibian border that commenced in April 1988 and peaked in June that year. Colonel Breytenbach is the exception here. He observed: "With a lack of foresight the South Africans had allowed the bulk of their available combat power to be tied down on the Cuito Cuanavale front." In his view this should have been regarded as a secondary front. This was in stark contrast to General Geldenhuys fixating on a SADF victory at Cuito Cuanavale and claiming that the new front opened-up by the Cubans in the west was akin to Castro "kicking the ball into touch." This was a reference

to a rugby-football tactic of playing for a draw or ending the encounter by booting the ball out of play. On the contrary the saga at Cuito Cuanavale can be correctly characterized as a Cuban-Angolan defensive victory. Undoubtedly, wars are not won by defensive engagements. The significance of Cuito Cuanavale is that the defenders not only saved the day, but bought the time to enable the Cuban-Angolan side to turn the tables, and by April 1988 launch a breathtaking offensive in the southwest that changed the course of history. The ball may not have been "in touch"—but it was very much in play.

On his table-top model Castro pointed out the amazing feat of a 40,000-strong Cuban, FAPLA, and SWAPO troop deployment, a front which stretched from Namibe on the coast, along a railway line through Lubango and Menongue, and to Cuito Cuanavale in the east. The SADF forces at Cuito were sidelined, like a major piece on a chess board that has prematurely advanced, as powerful forces (armed with the latest Soviet weaponry and under superior air cover) moved west towards the Namibian border. Angola's southern Cunene and Mocamedes provinces were liberated after years of SADF control.

A master stroke was the rapid construction of airstrips by Cuban engineers at Cahama and Xangongo, within 300 kilometers of the Namibian border, which brought the strategic Ruacana and Calueque hydroelectric dam systems on the Cunene River within striking distance. Soviet MiG-23s, flown by Cuban pilots, had demonstrated their superiority over South Africa's aged Mirage fighters (whose obsolescence was the result of UN-imposed sanctions), and now that they commanded the skies the network of SADF bases in northern Namibia was at their mercy.

Castro showed quiet pride in this achievement, cutting a thoughtful figure. Behind the singular achievement was outstanding military acumen; he was not the foolhardy gambler depicted by detractors like South African academic Greg Mills.<sup>6</sup> It was at this point that Castro used his now famous boxing analogy to explain the carefully formulated strategy: Cuito Cuanavale in the east represented the boxer's defensive left fist that blocked the blow, whilst in the west the powerful right fist had struck—placing the SADF in a perilous position.<sup>7</sup>

The end for the SADF was signaled on June 27, 1988. A squadron of MiGs bombed the Ruacana and Calueque installations, cutting the water and power supply to Ovamboland and its military bases, and killing eleven young South African conscripts. (While this is a small number, in a white minority country such deaths were felt as acutely as similar losses by Israel's military). A MiG-23 executed a neat victory roll over Ruacana. The war was effectively over.

The SADF was clearly outfoxed in Angola. Magnus Malan, South Africa's Minister of Defence, admitted that "as far as the Defence Force was concerned [Fidel Castro] was an unknown presence in military terms, and

therefore it was difficult to predict his intentions.”<sup>8</sup> This amounted to an astonishing intelligence failure, as it came a dozen years after the SADF first encountered the Cubans in Angola during the 1975–1976 aggression. Malan was not alone in this ignorance, however; the Americans had been in confrontation with Havana since the 1960s and appeared to know no better. Along with Pretoria they expected a Soviet Union eager for rapprochement with the West to curtail Cuba’s actions. They were surprised to discover that the Soviet Union’s so-called proxy had not even consulted Moscow over Havana’s massive intervention. The United States was even more taken aback when sophisticated Soviet military equipment in Cuba’s island arsenal was rushed to Angola to supply the Cuban reinforcements.

The Cubans could have marched into Namibia but exercised restraint. All parties, including the United States and Soviet Union, were looking for compromise and a way forward in negotiations that had previously been going nowhere. Castro was not looking for a bloody encounter which would have cost many lives on both sides, and neither were apartheid’s generals and political leaders. They could afford casualties even less than the Cubans, considering the popular mass struggle, escalating armed operations within South Africa by the ANC’s armed wing Umkhonto we Sizwe (Spear of the Nation), and a growing resistance amongst young white conscripts against military service.

Because of the embargo, Chester Crocker, chief negotiator for the United States, had to be given a special exemption to meet with Jorge Risquet, head of the Cuban delegation. Crocker confided: “Reading the Cubans is yet another art form. They are prepared for both war and peace. We witness considerable tactical finesse and genuinely creative moves at the table.”<sup>9</sup> His opinion of the South Africans was that “they confused military power with national strategy.” He was dead right. For years a military mindset had become prevalent in South Africa with the SADF generals enjoying strong influence over the politicians. Although the generals strove to cover-up the extent of the Angolan setback and bragged about a false victory, confidence in the SADF’s prowess amongst South Africa’s political and economic elite was ebbing.

The central negotiation issue was UN Security Council Resolution 435, concerning South Africa’s withdrawal from Namibia, and the departure of Cuban troops from Angola. It is history that the last SADF soldier left Angola at the end of August 1988, and that Namibia became independent in March 1990, even before the Cuban troop exodus from Angola. What materialized at Cuito Cuanavale set in chain a process that finally broke the ascendancy of the military hawks in Pretoria. Together with the popular mass struggle within South Africa and apartheid’s international isolation, the country’s freedom was soon achieved. It is fitting that at Freedom Park outside Pretoria, the names of the 2,070 Cuban soldiers who fell in Angola between 1975 and 1988 are inscribed alongside those of the South African

revolutionaries who died during the decades-long liberation struggle. Those patriots and internationalists were motivated by a single goal—the end of racial rule and genuine African independence. After thirteen years defending Angolan sovereignty, the Cubans took nothing home except the bones of their fallen and Africa's gratitude.

It is also noteworthy that for most of those years Umkhonto we Sizwe combatants engaged the adversary in many parts of Angola, cooperated with FAPLA and SWAPO units (as well as with Cuban and Soviet advisers), aided in the interception and translation of Afrikaans radio traffic, and provided invaluable intelligence on the SADF following an historic agreement signed between Angolan President Eduardo dos Santos and the ANC's Oliver Tambo and their respective military intelligence chiefs (which this author was party to). One hundred thirty Umkhonto we Sizwe combatants lost their lives in action during that time, as did possibly as many white SADF troops, as well as several thousand UNITA and other surrogates under SADF command.

It was at the cost of tens of thousands of lives that Angola, Namibia, South Africa, Zimbabwe, and Mozambique gained political independence from colonial and racist rule during the decades between 1974 and 1994. The whole region, together with former underdeveloped countries in Latin America, Africa, and Asia, are today in varying degrees striving for economic independence in a difficult and highly complex new world order. The outcome of this is closely connected to the situation and struggles in North America and Europe and bloody contestation in the Arab world. Whatever stage has been reached—and there certainly have been gains and setbacks—one cannot belittle the enormous sacrifices of the struggle for national liberation and independence from colonial and racist rule of a bygone age. Those sacrifices were not in vain.

## Notes

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# Listen to Your Gut

Rebecca Clausen

Charles Derber, *Greed to Green: Solving Climate Change and Remaking the Economy*. (Boulder, CO: Paradigm, 2010), 268 pages, \$18.95, paperback.

When confronted with any big decision in life, I hear my mom's voice telling me to listen to my gut. This has worked for personal adventures ranging from backpacking to parenting, even though at times it can be hard to quiet the social noise that prevents us from "hearing" what our instincts have to say. In *Greed to Green*, Charles Derber explores a new twist on the familiar "listen to your gut" adage by framing climate change inaction as the collective problem of not having a gut feeling about this planetary threat. Rather, he explains that we as a society have cordoned off knowledge of climate change as an intellectual concept, and have not allowed it migrate to the realm of the gut truth. According to Derber, it is only in this realm, where knowledge is "so visceral that it cannot be ignored," that is capable of spurring personal or collective action (14). To move the issue of climate change from our brains to our bellies is a central theme of this book, employing social theory and critical analysis throughout.

Derber should be commended for producing a work of public sociology directly aimed at understanding the underlying causes of and potential solutions to climate change. He uses an accessible style and format to broadly cover topics of climate change science, psychology of denial, and economic regimes in a way that is highly readable to citizens, students, and scholars. A few examples of his engaging writing style throughout the book include a mock script for a "green Greek theater," text boxes that introduce Globalization's Five Commandments, and examples of futuristic fireside chats that could publicly explain regime change. Creatively straying from the typical textbook, Derber weaves in personal stories of family, neighborhood, and self-reflection without losing the theoretical weight and ecological intensity of the subject.

One of the most important contributions of the book is that it provides a thorough analysis of the political-economic context that propels climate change. Derber pulls no punches when discussing the "rapid systemic change

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in capitalist order" that is required to reduce CO<sub>2</sub> emissions into the atmosphere (1). His structural analysis does not dismiss individual lifestyle changes, but boldly confronts its limitations. Chapter 9, "Blind Markets: How Capitalism Creates Climate Change," introduces readers to the relationship between privatization, commodification, and environmental destruction. The chapter also reviews most recent literature on how the financialization of monopoly capitalism leads to both economic and environmental crises, citing Foster, Magdoff, Baran, and Sweezy. Derber moves from discussing U.S. capitalism to global imperialism, and helps readers see the connection between issues of hegemony and global ecological debt. Again, all this in a highly readable format for those who might be new to these concepts.

Derber is keen to include the important role of labor in understanding the political economic context of climate change. Chapter 11, "The Green American Dream" discusses how capitalism creates coerced consumption and forced overwork. Derber explains how the overworked citizen compensates for lack of leisure by spending more, which ultimately "exhausts the worker and degrades the environment" (139). He explains how a choice of work time could have enormous social and environmental benefits, and later describes how the labor movement could make a green revolution possible. It is refreshing to read an analysis that links both theoretical and practical considerations of the intersection of workers and the environment. In addition, the structural analysis makes it clear to see why large-scale change is imperative and the mechanisms that make "incremental reform a recipe for disaster" (109).

Complementing the structural analysis offered in this book, Derber also presents a nuanced understanding of time as a social construction. Although he does not stray from a materialist understanding of climate change, the author understands that our perceptions can be created and recreated by social mechanisms. Throughout the book, the reader learns of ways in which "time-trickery" can be used to move from short-term thinking to long-term strategies for change. Derber discusses how we can redefine time by "eliminating the pathological ways in which we think about it short and long term" (90). The book lays out possibilities for these strategies, although the hope that they would be realized by an Obama administration has not materialized.

It would be easy to critique any book's political predictions three years after its publication; however, that does not constitute useful or genuine review. I admire Derber's courage for suggesting a possible political pathway for addressing the urgent need of climate change. The book's optimism for Obama being the first green president is also tempered with the author's analysis of the political realities of a campaign backed by Wall Street and

informed by centrist advisors. The failure of Copenhagen, the waffling on the Keystone XL pipeline, and the silence on climate change in the face of reelection superstorms are reminders that transformative potentials require people power first and foremost. Derber argues that this will to act can only be sparked when we begin collectively to address climate change as a gut truth.

Derber introduces readers to the literature on denial by first differentiating between scientific truth, popular truth, and gut truth. He explains that an existential threat such as climate change can create denial of scientific truth (rejecting what scientists tell us) as well as denial of gut truth (accepting scientific truth but failing to translate it into daily practice). Even among those who accept the scientific truth, the book argues that most are still involved in “belly denial,” refusing to internalize the information and take action. Derber reviews both the psychological and political economic dimensions of denial. Readers interested in climate change denial would be highly informed by Kari M. Norgaard’s 2012 publication, *Living in Denial: Climate Change, Emotions, and Everyday Life*, that insightfully addresses a third dimension—socially organized denial of climate change. Norgaard’s work suggests that many people have in fact internalized the real “gut truths” of climate change, yet are socialized to emotion-management norms that prevent them from being fully realized and enacted. This work would be a useful supplement Derber’s analysis.

Finally, *Greed to Green* introduces the concept of a green sociological imagination, which would use the “critical analyses of the founders of social science to transform urgently corporate capitalism” in the service of planetary survival. Derber does us all a great service by not only introducing this concept into our lexicon, but also by demonstrating so proficiently just how it can be done. *Greed to Green* brings together history, economics, individual perceptions, and climate science into a coherent frame that not only uncovers the roots of the problem but also inspires readers to begin to internalize these truths. Derber states, “One of the great arts of life and politics is to know when to put the truth in the attic and when to move it to the gut” (23). Let’s perfect this art and begin listening to what our intuition can tell us about the survival of species.



# The Fall of Libya

Max Ajl

Maximilian Forte, *Slouching Towards Sirte* (Montreal: Baraka Books, 2012), 341 pages, \$27.95, paperback.

Perhaps no war in recent memory has so thoroughly flummoxed the Euro-Atlantic left as the recent NATO war on Libya. Presaging what would occur as U.S. proxies carried out an assault on Syria, both a pro-war left and an anti-anti-war left started filling up socialist e-zines and broadsheets with endless explanations and tortuous justifications for why a small invasion, perhaps just a “no-fly-zone,” would be okay—so long as it didn’t grow into a larger intervention. They cracked open the door to imperialism, with the understanding that it would be watched very carefully so as to make sure that no more of it would be allowed in than was necessary to carry out its mission. The absurdity of this posture became clear when NATO immediately expanded its mandate and bombed much of Libya to smithereens, with the help of on-the-ground militia, embraced as revolutionaries by those who should have known better—and according to Maximilian Forte, could have known better, had they only looked.

Forte is an anthropologist, and what he offers us in *Slouching Towards Sirte* is an ethnography of U.S. culture and the way it enabled and contributed to the destruction of Libya. It is also a meticulously documented study in hypocrisy: that of the U.S. elite, of the Gulf ruling classes who have lately welded their agenda directly onto that of the United States, and of the liberal bombardiers who emerged in the crucible of the “humanitarian” wars of the 1990s only to reemerge as cheerleaders for the destruction of another Arab country in 2011. Finally, it is a study of the breakdown of the anti-war principles of leftists in the United States and Europe, so many of whom, for so long, sustained an infatuation with confused rebels whose leadership early on had their hand out to the U.S. empire, prepared to pay any cost—including Libya itself—to take out a leader under whom they no longer were prepared to live.

Forte begins by describing Sirte, the emblem of the new state Qadhafi—and almost literally, Qadhafi—had constructed with the post-1973 torrent of petrodollars flowing into Libyan coffers in the wake of a series of price

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increases which Qadhafi's aggressive resource nationalism had played a part in securing. Sirte was, in effect, a second capital, thick with new buildings and lavished with benefits from the money which had streamed into the new Libya. Qadhafi hosted numerous convocations there, including summits for the Organization for African Unity, a new pan-African network which he played a large part in developing. Sirte was also the place where Qadhafi had chosen to summon the ConocoPhillips CEO in 2008 to criticize the way he was dealing with the company's oil contracts in Libya.

Forte turns the fate of Sirte into a parable of the fate of Libya, as it fell under, and with, Qadhafi. Indeed, Sirte was one of the places especially targeted by the rebellious forces of the National Transition Council: Forte quotes an AP report stating that "Residents now believe the Misrata fighters intentionally destroyed Sirte, beyond the collateral damage of fighting."

It is to that destruction that Forte turns. Against too many accounts of the attack on Libya which make far too much of the partial rapprochement between Libya and the United States in the post-Global War on Terror interlude, Forte looks back at the historically belligerent face the United States had shown Libya, especially under Reagan: bombing it repeatedly, and taking down Libyan fighter jets defending Libyan land in the Gulf of Sirte, trying to get members of the Organization for African Unity to censure Libya, and then putting in place a series of sanctions against the Libyan government. Although many of the sanctions were eventually lifted, the close U.S. alliance with Saudi Arabia, sponsor of the *mujahideen* who had attempted to assassinate Qadhafi in 1996, continued, contributing to lasting friction between the government of Libya and the government of the United States.

Forte's contribution here is to complicate the meaning of words like "rebellion" and "revolution" too often incanted to short circuit independent thought. His method is to look at the revolt which was happening in parts of Libya and then to zoom in on Sirte, the Qadhafi stronghold, to see if indeed the revolt was taking place there. To the contrary, Forte finds that the NATO/NTC (National Transitional Council) assault on Sirte continued for months before the rebels were finally able to take control of the city. Their assault consisted of indiscriminate bombing using heavy weaponry, a fact Forte is able to establish using mainstream media reporting of the civil war.

Furthermore, Forte is able to bring to bear evidence that NATO carried out extensive war crimes during its "liberation" of Sirte, and the evidence he brings to bear is impeccable: the statements of the NATO command and the various human rights organizations like Amnesty International and Human Rights Watch, finding evidence of massacres of captured pro-Qadhafi fighters and even of civilians. Even more damning is the quotation from Georg Charpentier, the United Nations Resident and Humanitarian Coordinator for Libya, who could speak in October 2011 of the "liberation of Bani Walid and Sirte in October," and then in another note that "Public infrastructure,

housing, education and health facilities need to be rehabilitated, reconstructed, and reactivated, intense and focused reconciliation efforts also need to be encouraged.”

This and dozens of quotations like it attest to NATO’s knowledge of what it was doing: intervening on one side of a civil war, for “reconciliation” is only necessary when you have two sides, and by elevating one side to angelic revolutionaries, one is laying the groundwork for legitimizing the wholesale destruction of the other.

Another strength of the book is Forte’s account of the double standards not just of the Western states and human rights organizations but also—perhaps especially—of Al Jazeera and its inflated, not to say fabricated, accounts of atrocities and particularly the way it incited racial hatred against darker Libyans.

Forte also clearly shows that Qadhafi had what is now spitefully referred to as a “social base”—as though the modern state is merely a crime syndicate rather than tightly integrated into social reproduction. The avoidance of these questions by dominant currents of the Euro-Atlantic socialist left led to a situation in which too many no longer seem able to distinguish between riots, revolts, and revolutions.

So how did NATO go about intervening? And how did it exploit the Libyan regime’s vulnerabilities? Here Forte seems to misstep a little. He writes of the very real improvements in social welfare, under a populist rentier social contract, and links those improvements to the government. But here some more delving into the academic literature, books such as Ruth First’s or Dirk Vandewalle’s, would have been helpful. While living standards were improving, and the oil wealth was going to the hands of the Libyan people—at least in part—the deliberate “statelessness” of the Qadhafi government had created a situation within which the state was materially embedded within the society, but links between the two were one of a social rather than a civic contract. Anomie and estrangement prevailed under the later Qadhafi, and the people living under his government increasingly felt that they were not the owners of their country. Legitimate discontent grew.

With the advent of the Arab Spring, that discontent found an outlet: revolt. Here Forte moves to surer ground. Disregarding narratives of a “peaceful revolt” militarized only in reluctant response to state savagery, he finds that the revolt was militarized practically from day one, with an attack on a Libyan military barracks. Forte documents that the right wing of the regime was clearly prepared to execute a coup d’état against Qadhafi, with the open assistance of France, the United States, and especially Qatar, which sent in special forces, airplanes, and gunships to ensure his rapid deposition.

Forte goes further than most other analysts of the Libyan coup d’état but at the same time not far enough. Al Jazeera, the television station owned by the Emir of Qatar and early on christened the voice of the Arab Spring, started reporting on “massacres” carried out by “black mercenaries” in Libya,



starting February 17 and 18, 2011. The sourcing tended to be to anonymous activists in Benghazi or elsewhere—a script later replayed in Syria, where articles from Al Jazeera are so liberally brocaded with “activists say” to the point where little of what the article says is anything but what activists have said. Such subterfuges have escaped much of the left, and for that reason Forte’s account is laced with contempt for their gullibility with respect to opposition propaganda.

Furthermore, Forte does a very good job of pulling together the reasons the United States never liked Qadhafi—his prickliness with respect to U.S. investment, his leadership in Africa, his support of the African National Congress, and his resolute hostility to AFRICOM and U.S. bases on African soil. Far too much has been made of Qadhafi’s cozying up to the United States after 2004. What is forgotten is that the United States maintains hostility to *any* state-capitalist regime that is not fully integrated with and subservient to the U.S. global system, with respect both to the free flow of capital and foreign policy. On both counts, Qadhafi failed—the Heritage Foundation, which reports on what matters to the people who matter, found that Iran, Libya, and Syria have been the most “economically repressed” countries in the region—that is, the least open to U.S. investment, while far too often supporting Palestinian resistance movements, decrying normalization with Israel, giving aid to the left wing of Fateh, and other recalcitrant behavior which U.S. imperialists never forgot.

Libya offers a place to rethink dominant theories of imperialism, which have trouble accounting for the role of Western capitalist interests with respect to state-capitalist regimes, even ones implementing neoliberal economic programs or hollowing out their domestic industrial or agricultural sectors. What those theories miss is the resolute hostility of the U.S. state and ruling class to any foreign leadership which seems to be carrying out a national project.

A weakness of Forte’s book is that although he is a leftist, he is not a Marxist. So an occasion is lost to think about the ways in which the positive social transformations carried out under the Qadhafi junta also had the effect of contributing to the future downfall of Libya—for lacking a revolution within the Green Revolution, there was a counter-coup by the regime’s right wing against the populist coup d’état under which Qadhafi came to power. The left needs to understand both the benefits afforded by populist regimes and the limits they impose. The object is to understand what kind of opposition movements can arise which can both defend the gains of previous—and also deeply flawed—governments while simultaneously advancing on them, to further horizons. But these are theoretical and political problems that were with us before the destruction of Libya and will remain with us after. It is to the knowledge of this sordid event of the Euro-Atlantic left that Forte has made an important contribution, one which ought be on the bookshelf of anyone interested in and concerned about the destruction of

Libya, and looking to understand more fully the next targets of empire.

*Continued from page 64*

that the powers of the state government already stand truncated under the auspices of "internal security". The state does not have power to remove army from any area, withdraw the notification on disturbed area or AFSPA from areas where it operates, or even to affect the appointment of senior police officers. If there were any doubts as to the total triumph of police state rule they are put to rest by provisions which create "Special Security Zone" in the event of any threat to security and to set up an administrative structure "which shall integrate administrative and developmental measures with police response". A final blanket grant of impunity ensures that no legal proceedings can be taken against the Government or any police officer "for anything done or intended to be done in good faith".

While not approaching in frequency the slaughter in Manipur, fake encounter killings now occur frequently in most of India. As far as official records go, in 2010-11, NHRC received complaints that 40 people were killed by security forces in Uttar Pradesh in alleged fake encounters. During 2008-09 and 2009-10, 71 people were killed in the state in alleged fake encounters. Chhattisgarh, Jharkhand and Orissa have reported 36 cases of fake encounter in the last three years. Over that same period, Tamil Nadu and Madhya Pradesh—two relatively peaceful states—have each recorded 15 cases of alleged fake encounters, West Bengal recorded altogether 23 cases, and the national capital Delhi recorded six such cases.

The process that is underway is serious in the extreme. As our rulers abandon "rule of law" in the North East and in Jammu and Kashmir, police state reality increasingly encroaches on ever widening circles of life elsewhere as well. The most marginalised section of the population of many states, mostly tribal, already have the experience of "operation green hunt" to clear the ground for the mining barons. At the other extreme, it is incorrect to assume that the broad sectors of the educated and cultured liberal bourgeoisie that provided numerous allies in the past for the communist movements have disappeared from the scene. Large sections of the professional class have not drowned and vanished in the flood of swindling and corruption that characterizes the regime of "reform", and abhor the communalists. As Justice Alam of the Supreme Court said on being acquainted with the facts: "We can't tell you how sorrowful we are. What is the use of sitting here? Everything appears meaningless". This insight, more generally understood, might be a point from which to begin.



# Memories of the Afro-Caribbean Left

Paul Buhle

Clairmont Chung, editor, *Walter A. Rodney: A Promise of Revolution* (New York: Monthly Review Press, 2012), 117 pages, \$17.95, paperback.

The name “Walter Rodney” has receded from public memory in the last few decades. Only yesterday, it seems to this reviewer, Rodney was the most promising young political scholar of Afro-Caribbean origin, influential from parts of Africa to Britain and North America, not to mention his home Guyana, as well as Jamaica, Trinidad, and other anglophone islands. He was revered: great things were expected of him, as great things were expected of the new phase of regional history in which independence had been achieved and masses mobilized for real change.

The promising youngster and student leader at the University College of the West Indies took a PhD in London in 1963 and joined a study group with C.L.R. James. These two events proved equally decisive. Teaching first in Africa and then Jamaica, he wrote a distinguished history of slavery while penning a powerful pamphlet setting black power in a Caribbean context. *How Europe Underdeveloped Africa*, his most widely read work, answered the “Development” theory then popular with liberal anti-communist thinkers. Always controversial, he returned to his homeland to organize against the dictatorship of Forbes Burnham, and was assassinated in 1980, doubtless by Burnham’s forces and probably with the assistance of the CIA. The Working People’s Alliance, seeking democratic change by building solidarity among the East Indian and Afro-Caribbean populations, is in a sense a monument to his memory.

Rodney has been largely forgotten outside the region (and perhaps by the next generation inside it) because change, in any meaningful way, did not come. Instead, neocolonialism has so penetrated the region, exaggerated by global commerce in every sense, that the long hoped-for federation of islands seems almost to have been a mirage. They were mainly handed over from the British to the Americans, by way of overpowering influences, economics to culture, if not formal governance. The socialist parliamentarism of the Michael Manley

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PAUL BUHLE is the author of *C.L.R. James: The Artist as Revolutionary* and *Tim Hector, Caribbean Radical*.

government in Jamaica is as long gone as the reggae utopianism of Bob Marley. These societies have not thrived, and have only been saved from worse decay partly by tourism, but mainly by remissions—money sent home by emigrants moving to New York, Boston, Toronto, and elsewhere.

To observe this backward movement is painful and necessary. Hope is not absent because progressives continue to strive, reformers of a wide variety of types and agencies struggle for small improvements, and the centuries of folk life remain part memory, part living culture with a potential damaged but not eradicated. Recovering Walter Rodney is one of the tasks obligatory for clearheaded reconsiderations.

This book is an oral history, or rather a series of oral histories conducted by the editor, who was born in Guyana, arrived in New York in 1979, and since became a filmmaker, scholar, and teacher. Like any well-conducted oral history, it deals heavily in “orality,” that is, memories in the eyes of the beholders. These are highly subjective and they need to be taken with their own weight, not historical accounts so much as personal accounts of engagements, brief or extended, with Rodney. It would have been a better book, I think, with a more extended introduction, exploring the strengths and weaknesses of this orality as well as offering an assessment of scholarship about Rodney. Detailed footnotes do provide annotations of the major personalities and events that otherwise seem to go by rather too quickly for a full understanding.

Still, there are riches here. For instance, Dr. Brenda Do Harris, a Guyanese feminist, recalls her political life in Guyana, “riddled with guilt about leaving because there were others who stayed.” She claims no political intimacy with Walter. She knew him only as a teacher who explained politics in a way “always gentle and loving” to her as a young person. Now, so many years later, she fears that the grand visions of the days with Rodney may never return. Robert Hill, a political counterpart from Jamaica and comrade with Rodney, acutely describes encounters in the Caribbean and the United States. Other writers, not famous at all, recall Rodney’s intellect, influence, and aura, but mainly his political activities and his deep sincerity, his ability to bring people together from Tanzania to Guyana, and give them confidence in themselves to change history. In doing so, he gave them ways to understand that they could and would change themselves as well. Amiri Baraka and editor Clairmont Chung himself provide for us memories of Rodney’s influence within the United States. Issa G. Shivji recalls Rodney’s work in Tanzania and Rupert Roopnaraine observes in passing Rodney’s impact and efforts in Zimbabwe and Suriname, before going on to the Guyanese circumstances of Rodney’s return and his building of the WPA.

Could Pan-Africanism have gone further, achieved its aims, and protected

itself from being swatted down by the forces of repression? Were savants like C.L.R. James and Rodney too optimistic in their assessment of the situation? These questions hang in the air, as they must. What we know is that after Rodney's assassination and the U.S. invasion of Grenada, an era had truly come to an end.

Let me close, on a personal note, that no one would have been more pleased at this volume than the late Tim Hector. A disciple of C.L.R. James but from the same generation as Rodney, Hector (on his return from graduate education in Canada) was a homebody to his native Antigua in the late 1960s. There, he worked on a series of left-wing weekly newspapers culminating in *Outlet*, published until shortly after his death in 2002. Read from the anglophone islands to the United Kingdom, Canada, and the United States, *Outlet* might properly be called a "James-Rodney" journal because the two of them were quoted, pointed toward as regional exemplars, so often. Hector wrote on Rodney's death that while James had warned the activist from returning to a dangerous Guyana, Hector himself had urged the return—and later felt extreme remorse at having done so. Arrested repeatedly, his printing press destroyed twice by the authorities, his wife Arah Hector murdered, Hector was no stranger to repression. But in his mind, Rodney had been the generational greatest, and could not be replaced.



**Correction:** On page 41 of the March 2013 *AMR*, in Al Ruben's "The Man Who Was Over the Rainbow," line 18 should read "four volumes" instead of "three."

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Commentary from

**Monthly Review**

April 2013, Vol.64, No.11

***An Independent Socialist Magazine Founded in 1949***

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One of the achievements of Roosevelt's New Deal administration during the Great Depression was the introduction in 1938 of the federal minimum wage, then set at twenty-five cents an hour. At no time in its history has the minimum wage kept workers out of poverty. But it has helped to stave off the full depths of poverty that would otherwise ensue. Since the minimum wage is not indexed to inflation its real value diminishes over the years, requiring that Congress periodically raise it. The last time this was done was 2009 when it was increased to the present \$7.25 an hour. Obama's proposal in his State of the Union Address to raise the federal minimum wage to \$9 an hour—and to index it to the cost of living so that its real value would no longer diminish with inflation—has received widespread support from the population. At the same time it has been subjected to severe criticism from key sectors of capital, which have gone into overdrive in pushing their claim that such a raise in the hourly wage of the poorest segments of society would be a devastating “job killer,” increasing unemployment.

To understand the historical significance of this it is important to understand that the real minimum wage (adjusted for inflation) reached its highest point of \$10.50 (in 2010 dollars) in 1968, while today it is lower than it was in 1956, during Eisenhower's first administration. If Obama's proposal were adopted the real minimum wage would still be about \$1.50 short of where it was in 1968 at the end of the Johnson administration, forty-five years ago. Yet, this paltry attempt to lift the floor of wages for the poorest workers in the United States—at a time when the annual income of a single parent receiving the minimum wage is well below the federal poverty line for a family of three—is coming under virulent attack from the vested interests. Immediately following Obama's proposal, the *Wall Street Journal*, *Forbes*, *Fortune*, and FOX all issued charges that the minimum wage was a “job killer.” (See Peter Dreier and Donald Cohen, “Raising the Minimum Wage

is Good for Business [But the Corporate Lobby Doesn't Think So]," *Huffington Post*, February 23, 2013; John Light, "Rethinking Our Minimum Wage," *BillMoyers.com*, February 22, 2013; "Federal Minimum Wage Rates, 1955-2012," <http://infoplease.com>.)

The plutocratic interests controlling such media outlets would like to convince the population that they spend every waking moment worrying about how to promote jobs. The truth, however, is that these same interests consistently oppose all policies to promote full employment on the grounds that full employment is inflationary and thus a threat to business. Their argument that an increase in the minimum wage would be detrimental to employment as a whole is therefore disingenuous to an extreme. It is also entirely false. Low-wage workers who receive increased hourly wages turn around and spend 100 percent of those wages on consumer goods, thereby increasing effective demand in the economy as a whole. As a result the overall effect on employment is nil. Nevertheless, the floor under wages is raised, bringing workers at the bottom closer to a living wage.

But if enacting a federal minimum wage hike would have virtually no effect on overall employment and the functioning of the economy as a whole, why then does it face such strong opposition from business circles? Part of the answer clearly lies in the fact that some employers, such as those who use minimum-wage workers to produce luxury goods and services exclusively for the well-to-do, would see their costs go up but not their revenue. Conversely, those branches of industry producing wage goods would see their profits rise. Hence, while overall employment would not be affected, some sectors of industry would experience gains while others would experience losses. A larger part of the answer, however, is that such opposition reflects the fundamental outlook of the capitalist class, whereby increases in wages are always seen as a threat to profits to the same extent. Related to this is the prevailing, but mistaken, assumption that the beginning of the economic problems of the U.S. economy in the 1970s had to do with a wage squeeze on profits, leading to the stagflation era—which has been used to justify the neoliberal strategy of forever weakening labor in relation to capital. The right turn associated with Reaganomics in the 1980s made minimum-wage legislation a major target. A master of the big lie, Reagan went so far as to declare: "The minimum wage has caused more misery and unemployment than anything since the Great Depression" (Dreier and Cohen, "Raising the Minimum Wage"). The *New York Times* jumped on the bandwagon, editorializing in its January 14, 1987 issue: "The Right Minimum Wage: \$0.00."

What big business is worried about today has less to do with an increase in the minimum wage itself, but rather the larger effect that this could have in eroding its overall neoliberal political-economic strategy of continually ratchetting up the rate of exploitation in U.S. society in order to generate a larger economic surplus to fill corporate coffers. A sizeable hike in the

minimum wage—even if it only brings the real minimum wage under Obama’s proposal back to where it was fifty years ago—is seen by capital as a sign of resistance from below, however faint, and hence is to be squashed; or, if that should prove impossible, to be contained within narrow limits. (For an empirical treatment of the class war over the wage share in the United States see Fred Magdoff and John Bellamy Foster, “Class War and the Declining Labor Share” in the March issue of *MR*. For a wider historical and theoretical treatment see John Bellamy Foster, “Marx, Kalecki, and Socialist Strategy” in this issue.)

One of the most notable left intellectuals in the United States is Gar Alperovitz, professor of political economy at the University of Maryland. As an undergraduate Alperovitz studied at the University of Wisconsin under the great revisionist historian William Appleman Williams (a frequent contributor at the time to *Monthly Review*). He went on to pursue a PhD in economics at Cambridge University under Joan Robinson (also an *MR* contributor). Alperovitz’s doctoral dissertation, which was eventually published as the book *Atomic Diplomacy*, constituted a revisionist historical account of the decision to drop the atomic bomb on Hiroshima and Nagasaki. He demonstrated that Truman’s decision to use the bomb on civilian populations was opposed by U.S. military leaders—and was not so much the last act in the Second World War as the first act in the Cold War. (Truman’s objective in dropping the bomb was to force an immediate unconditional surrender—Japan had offered to surrender but the security of the emperor remained a sticking point—in order to preempt the further advance of Soviet troops into Asia and the expansion of the Soviet sphere of influence.) Alperovitz’s latest initiative is represented by his brand new book, *What Then Must We Do?: Straight Talk About the Next American Revolution*. He describes the systemic crisis in which the United States is trapped as one of “punctuated stagnation”: The nature of our current economic predicament, he writes, “is not [one of] collapse, but rather an odd form of painful stagnation—the hallmark of which is economic decay, with occasional significant downturns and (at best) modest and temporary upticks around a sickening, uncertain and debilitating norm” (126). (Here he footnotes John Bellamy Foster and Robert McChesney’s book, *The Endless Crisis: How Monopoly-Finance Capital Produces Stagnation and Upheaval from the United States to China* [Monthly Review Press, 2012].) We strongly agree with Alperovitz that a “punctuated stagnation,” in the sense he has described it, is the most accurate reading of contemporary economic reality and sets the stage for what could be “the next American revolution.” His book can be obtained from Chelsea Green Publishing at <http://chelseagreen.com>.

*Continued from inside back cover* 

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The Court went on to say that “[i]n every instance where the nature of the incident warrants it, the Government of Manipur should appoint a Commission of Inquiry headed by a judge. It must accept the findings and act on the recommendations of these commissions, instead of burying them, which is its current practice. The constitution of such a Commission of Inquiry must immediately be reported to the NHRC, and the report sent to it as soon as it has been tabled in the Legislative Assembly”. As for what results may be expected, one must not forget what retired Sessions Judge C. Upendra told a fact-finding mission to Manipur from November 5 to 10, 2009 in the wake of heightened tensions in the State and the massive demonstrations of July 2009. He said that he had headed twelve such enquiries himself, and found in all cases the encounters were fake, though none of his reports was made public. See, *Democracy ‘Encountered’: Rights’ Violations in Manipur* (Delhi, 2009)

On the other hand, there is a police bureaucratic response that imagines that legislation—such as the AFSPA—that formally provides in detailed regulations for complete impunity in practice and the absence of independent judicial review and supervision, is itself “rule of law”. This is a total misapprehension, though not surprisingly common to police in all places and at all times. It fails in achieving the entire purpose of “rule of law” ideology—the creation of a sufficient space for mass participation and political activity as to justify the claim that we are ruled “democratically”. Nothing is more blatant than legislation, however detailed, that limits control of police and security forces to the police and security forces themselves. The recently introduced Draft Jammu and Kashmir Police Bill 2013 is such an instance; it achieves only the bureaucratic formalization of existing and previous draconian practices and activities of the Jammu and Kashmir Police. The timing of the Draft Police Bill is also to be noted. The Draft was made public on 15 February 2013, and suggestions were sought within two weeks. Kashmir was at that point under curfew, and Afzal Guru had been hung to death but a few days prior.

Some of the draconian features of the Bill include provisions that authorize “any” police officer to demand services of “any able bodied adult person” and “no person shall disobey without reasonable cause”. Of course such police officer will also decide whether there is “reasonable” cause or not. Another provision allows the DG of Police power to “constitute as many Village Defence Committees” as he may deem necessary, and to “engage” any able bodied and willing person as SPO. A provision that suggests the setting up a State Security Commission with the CM presiding is fully offset by the fact

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led by Justice (Retired) Jeevan Reddy in 2005 to review the Armed Forces (Special Power Act) 1958, an act that grants effective impunity to the security forces, concluded that "[t]he Armed Forces (Special Powers) Act, 1958(AFSPA) should be repealed. Therefore, recommending the continuation of the present Act, with or without amendments, does not arise." But still, a greater part of the North Eastern states and Jammu and Kashmir remain under AFSPA.

Judicial power (and "rule of law") though impotent to arrest the surge of state terror, retains—to some degree—the power to bring matters to light. In the process, sometimes the tip of the iceberg becomes visible. Here is an example. The Extrajudicial Execution Victim Families' Association (EEVFAM), an association of the wives and mothers of persons extrajudicially executed in barracks, lockups, and in isolated places by the police and the security forces, and Human Rights Alert, two organisations based in Manipur, submitted a writ petition for an investigation in September 2012 before the Supreme Court. They submitted a list of 1528 extra-judicial killings. On 4th January, 2013 the court, maintaining that the petition "raise[s] some disquieting issues pertaining to the State of Manipur" ordered that "...we would first like to be fully satisfied about the truth of the allegations concerning the cases cited by the writ petitioners. To that end, we propose to appoint a high powered commission that would tell us the correct facts in regard to the killings of victims in the cases cited by the petitioners. ... we request the Commission to make a thorough enquiry in the first six cases as detailed in "Compilation 1", filed by the petitioners and record a finding regarding the past antecedents of the victims and the circumstances in which they were killed."

The Supreme Court-mandated committee, comprised by former Supreme Court judge Justice N. Santosh Hegde, the former Chief Election Commissioner, J.M. Lyngdoh, and the former DGP of Karnataka, Ajay Kumar Singh, presented its report to the court on April 4. The report is yet to be made public. A bench comprising Justices Aftab Alam and Ranjana Prakash Desai examined the committee's report. Justice Alam told counsel: "We can't tell you how sorrowful we are. What is the use of sitting here? Everything appears meaningless". The committee, in its report, said these first-to-be-examined six cases of encounters, that had resulted in the killing of seven persons including a 12-year-old boy, were fake and that the victims did not have any criminal background. The committee also is said to have recommended withdrawal of the Armed Forces (Special Powers) Act (AFSPA).

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Printed, published and owned by Subhas Aikat and printed at New Rainbow Laminations, 31 A, Patuatola Lane, Kolkata-700009 and published at Cornerstone Publications, Ramesh Dutta Sarani, P.O. Hijli Co-operative, KHARAGPUR-721306, Paschim Medinipur, West Bengal.

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20/6/13*

Vol. 11, No. 2

May 2013

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**who will  
lead  
the u.s.  
working  
class?**

MICHAEL D. YATES

# ANALYTICAL MONTHLY REVIEW

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## Editorial

May Day has now taken the shape of any other annual festival with a holiday. But long back in 1891, though it is now difficult to imagine, Engels in part pinned the hope to change the social order on the May Day celebration by the workers, saying— "This condition becomes every day more absurd and more unnecessary. It must be gotten rid of; it can be gotten rid of. A new social order is possible, in which the class differences of today will have disappeared, and in which— perhaps after a short transition period, which, though somewhat deficient in other respects, will in any case be very useful morally— there will be the means of life, of the enjoyment of life, and of the development and activity of all bodily and mental faculties, through the systematic use and further development of the enormous productive powers of society, which exists with us even now, with equal obligation upon all to work. And that the workers are growing ever more determined to achieve this new social order will be proven on both sides of the ocean on this dawning May Day, and on Sunday, May 3rd."

Many things have changed remarkably since then, but the same absurd and unnecessary hegemony of the capitalist production system has expanded and more deeply penetrated. One kind of castrated "left" politics begs the capitalist to establish industries, so that a few from the proletarian reserve army may get employed. Under relentless continuous media assault, the

*continued on inside back cover*

## Who Will Lead the U.S. Working Class?

Michael D. Yates

*This article is based upon an interrogation of two books: Gregg Shotwell, Autoworkers Under the Gun: A Shop-Floor View of the End of the American Dream (Chicago: Haymarket Books, 2012), 200 pages, \$17.00, paperback; and Jane McAlevey with Bob Ostertag, Raising Expectations (And Raising Hell): My Decade Fighting For the Labor Movement (New York: Verso Books, 2012), 318 pages, \$25.95, hardcover. Each book is about an iconic union. Gregg Shotwell writes about the United Auto Workers (UAW), and Jane McAlevey the Service Employees International Union (SEIU). What they report gives us reason for both deep concern and hope concerning the future of organized labor.*

The U.S. labor movement is in disarray, with declining union density and fewer members each year. There have been positive signs of movement revival, such as the revolt of public sector workers in Wisconsin in 2011 and the Chicago school teachers' strike in 2012. But overall, the future of the labor movement does not appear very bright. In what follows, we examine the state of organized labor through the lens of the recent history of two unions, as seen by a rank-and-file worker and an itinerant union organizer. We ask what kind of people might lead the U.S. working class.

### The United Auto Workers

Gregg Shotwell, now retired, was for more than thirty years a rank-and-file machine operator for General Motors and Delphi, one of the world's largest auto parts manufacturers. Angry with the UAW's increasingly cozy relationship with the companies, he started an in-plant broadside, *Live Bait & Ammo*, which he hoped would be bait for the bosses and ammo for the workers. His provocative and lively prose, combined with good fact-based analysis, struck a chord with his fellow unionists, and the newsletter gained a wide circulation in union auto plants. His book is an organized collection of

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*Live Bait & Ammo* essays, covering developments in the UAW and the automobile industry from the late 1990s until the Federal government's bailout of General Motors and Chrysler in 2009. The wonderfully rendered essays are cries from the heart of workers degraded daily by their employers and betrayed by their union.

Some background on the UAW will put Shotwell's dissidence in historical perspective. The UAW was forged in the courageously fought and radically led sit-down strikes of the Great Depression. Its members, their families, and their communities built upon these bitter struggles to make the UAW a militant industrial union. Not only did those who labored on the assembly lines and in the shops transform themselves from factory serfs to class-conscious workers, but they also took control of the shop floor from a management notorious for oppressive treatment of its "hands."

Shotwell tells a story on the first page of his book that illustrates the power of the union:

I hired into GM and joined the UAW in 1979. I didn't know much about how unions worked. I soon learned. At six thirty one morning, we were sitting around sipping coffee and trying to wake up to a new day of the same old shit. A foreman who was new to the area told us to get up and get to work. "Right now," he said. "I'm the boss." We said, "Yes sir, boss." We went right to work. Thirty minutes later, every machine in the department was down. The skilled trades came out, tore the machines apart, and went off to look for the missing parts. They didn't come back. There was no production that day. Every department behind us went down like a domino.

The next morning, the same foreman said, "Good morning, gentlemen." Then he left us alone to do our jobs.

The shop floor was our turf. We controlled the means of production because we were the masters of the means. We didn't plan this direct action. It was automatic. It was natural. We called it "showing the boss who's boss." That's what old timers taught me about unionism.<sup>1</sup>

As his book makes clear, this does not happen today. The UAW has hit hard times. Membership has plummeted from a peak of 1.53 million in 1979 to 380,719 in 2011. Most commentators point to the decline of domestic manufacturing in the United States and the corresponding increase in the foreign operations of U.S. car companies, along with a ruthless anti-union strategy begun by employers when profit margins fell sharply in the mid-1970s, as the reasons for this. However, Shotwell provides many examples of how the failure of the UAW to organize the foreign "transplant" automobile manufacturers in the United States and the auto parts segment of the industry

has also played a major role.

Much of Shotwell's book shows why the UAW has not organized the nonunion sections of the industry, and worse, how it has become complicit with capital in making certain that these will not be organized. The union has, in effect, become the junior partner of the companies. As he says about former UAW president Ron Gettelfinger:

Gettelfinger is a corporatist: that is, he believes our fortunes as union members are tied to the company's apron strings. At the Ford sub-council, where union members convened to devise a bargaining strategy, he invited Lord Ford and his stooges to explain how sacrifices would be necessary. Ford's problems are not the fault of union members or union wages. Does Ford invite UAW members to Board of Directors meetings to advise them how they should make sacrifices for the good of the community?

The beginning of the UAW's demise can be found in the employer backlash against the radicalization of much of the labor movement during the Great Depression and the tremendous strike wave after the Second World War. The latter, along with the onset of the Cold War, provided good public relations cover for the corporate counteroffensive, as a war-weary public wanted to buy the commodities they were not able to purchase during the war (and still could not because of the strikes) and also began to succumb to relentless Cold War propaganda against the Communists. The first big postwar victory of capital was the Taft-Hartley legislation, which, among other things, compelled union officers to sign an oath stating that they were not Communists.

Most union officials signed the oaths, and many leaders used refusals to sign as an excuse to purge radicals from their ranks. The UAW was home to a large number of reds, and they were among the best, most class-conscious members and leaders. Unfortunately, Walter Reuther, one of the leaders of the agitations that helped form the union in the 1930s, used Taft-Hartley to red-bait his left-wing opponents and win power.

Reuther and his successors parlayed the postwar prosperity of the industry into pacesetting wages and benefits for autoworkers. At the same time, they built a UAW political machine, the Administrative Caucus—Shotwell refers to it as the “Rollover Caucus”—which has been called accurately a “one-party state.” They worked out an “accord” with employers: the union promised to let the bosses manage free from the threat of wildcat strikes and work slowdowns. In return, the corporations agreed to regular wage increases, cost-of-living adjustments, and generous health-care and pension benefits. UAW leaders used the power of incumbency to contain any challenges to their control of the organization.



As democracy in the UAW waned and members chafed at the union's concession of workplace control to management, rank-and-file movements arose. The union suppressed these efforts, but it was impossible to eliminate dissent altogether. One of Gregg Shotwell's UAW mentors, the late Jerry Tucker (who wrote the Foreword to the book), engineered several "work-to-rule" campaigns at UAW plants in the Midwest. Patient education convinced workers to slow down production by sticking strictly to the letter of their collective bargaining agreement and their supervisors' instructions. Workers refused to show the initiative that makes every workplace run smoothly and efficiently. Inevitably, production fell dramatically. As Shotwell notes, each of these "in-plant" work stoppages succeeded; all concessions that management wanted were denied, workers won better contracts, and none lost their jobs.

Tucker became so popular that he was elected a Regional Director. But when he brought his rank-and-file empowerment strategy to the national union leadership, they mounted a vicious campaign to unseat him (union staffers were forced to give part of their salaries to his opponent's campaign). He lost his directorship, but then helped form the New Directions movement to wrest control of the union from a leadership now far removed from the shop floor. These efforts failed, but the New Directions spirit lived on. Shotwell and other union dissidents began Soldiers of Solidarity, to return the UAW to its members. Work-to-rule, national strikes, solidarity, an end to concessions, and union transparency are the weapons Soldiers of Solidarity argues are needed if automobile workers, and by extension all laborers, are to reverse the downward spiral in which the working class finds itself.

There are startling revelations of UAW autocracy and disdain for the rank-and-file in *Autoworkers Under the Gun*, which the author describes in vivid language but can be simply summarized here:

- Members cannot democratically influence what the union does. The union's conventions are run dictatorially, and most of the delegates are appointed staff persons. The chair silences the microphone when dissidents make critical comments or ask embarrassing questions. "You're done brother, shut off the mic," UAW president Yokich said to Shotwell at a union convention when he had had enough of Shotwell's trenchant analysis of the union's self-imposed weakness.

Dissidents are spied upon, and the top officers routinely lie about what they have done in collective bargaining. Shotwell gives especially detailed examples for his employer, Delphi. Union leaders guaranteed Delphi workers that they would always have the same contract provisions as GM employees, that GM would still be the majority owner of Delphi after it was spun off by GM. Not only were Delphi workers soon earning a fraction of what those at GM earned, but they lost all their GM pension credits. Things only got worse when Delphi

declared bankruptcy.

Autocracy in the UAW is so blatant that the Administrative Caucus voted to transfer tens of millions of dollars from the union's seldom used strike fund to pay the salaries of the national staff. Interest on the strike fund is similarly diverted.

- The UAW sells its locals short. It does not inform them about national negotiations; complex issues are presented to members at the last minute, with dire warnings that failure to agree will lead to disaster. The union settles national agreements before local agreements have been completed, leaving the locals with little leverage over their employer.

- A particularly egregious example Shotwell gives of the union's betrayal of its locals concerns Local 2036 in Henderson, Kentucky. The UAW sanctioned a strike against wheel supplier Accuride in 1998. When the workers rejected a company proposal but agreed to return to work, the corporation locked them out. A dance then began in which the union paid strike benefits, then stopped payments, threatened the local with trusteeship, and, in 2002, when at least 100 employees were still holding solid against Accuride, disavowed any interest in representing the workers. The disavowal letter was sent to the company but not to the long-suffering strikers. The union never organized solidarity actions by union members who were installing the scab wheels in Ford and GM assembly plants. The best it did was urge GM, Ford, and Chrysler to convince Accuride to settle. Shotwell contrasts the UAW's (in)action with that of the Canadian Auto Workers (CAW), which seceded from the UAW in 1984: "When Navistar attempted to bust a Canadian Auto Workers (CAW) local, CAW president Buzz Hargrove said, 'We are prepared to shut down all of our operations. We are not going to allow them to scab our plants and steal our members' jobs.' The CAW kept scabs out and won a fair contract."

- As capital's anti-union campaign accelerated in the 1980s, the UAW rejected a militant counterattack, as New Directions was demanding. Instead, they embraced class collaboration—more benignly called partnership, or "jointness." The union and the corporations would work together to ensure the profitability of their joint enterprise. If workers labored hard to make their plants more profitable, employers would share some of the money with them. The union agreed that foreign competition, mainly from Japanese manufacturers, was the source of industry distress. To beat the foreigners, UAW members would have to work harder, smarter, and in cooperation with their employers. The tacit deal was that if the workers did not go along with this, the union would discipline them itself.

To sweeten the pot, the corporations agreed to pay several cents per hour of employee labor into jointness funds, set up as independent corporate

entities and administered by union and management. These funds, which soon contained millions of dollars, are not subject to the financial disclosure obligations that unions have under the Landrum-Griffin Act, and the UAW has refused to show the members how the funds' monies are used. Shotwell tells us that they, in part, pay the salaries of hundreds of union staff persons who work in the plants as the union counterparts in labor-management teams that deal with all manner of workplace issues.

With jointness and the jointness funds, the UAW committed itself fully to a class-collaboration strategy. Corporations have as their aim the accumulation of capital, made possible by the exploitation of wage labor. The latter is realized by management's attainment of as much control as possible over the labor process, that is, of how work is performed. Labor-management cooperation means that the union is an ally of its class enemy, committed to helping it achieve its goals.

The first targets of the union-employer partnership were Japanese automakers, who were accused of unfair competition. The degree to which the company-union partners vilified the Japanese can be seen in an early program paid for by the funds, a week-long educational, with mandatory attendance by every union member. I witnessed this firsthand when I taught economics in a one-day session in such a program to groups of Pittsburgh autoworkers; the session held just prior to mine was an eight-hour orgy of Japanese bashing with the most blatant stereotyping of Japanese culture and behavior.

Once the competitive ethos began to be instilled in union members, the focus shifted from foreign competition to that between domestic automobile companies. Workers at GM were now in competition with those at Ford and Chrysler, even though they were in the same union. From there, it was a short step to pitting employees at one plant against those at another of the same company. So as the corporations began to close plants to remain competitive, workers were forced into a competitive mode, doing whatever they could to keep their particular plant open. Solidarity went out the window, replaced by a war of all against all.

Shotwell predicted what would happen:

Competition between workers will decimate, not solidify, our ranks. A Competitive Operating Agreement is a Trojan horse loaded with three lethal concessions:  
 the expanded utilization of temps, which is in effect two-tier;  
 the implementation of nonunion labor into the plants;  
 the manipulation of union members as "team leaders" in supervisory roles.

He was right. The end result was a sequence of corporate demands and

union concessions: lump-sum wage increases instead of percentage raises built into the base wage; two-tier wage agreements in which new hires earn much less than senior workers (now less than half as much); fewer benefits, with workers paying more and more for them; defined contribution pensions instead of defined benefit plans; pensioners sacrificed to ease the pension cost burdens of the businesses; and on and on, with no end in sight.

Union givebacks ultimately led to the decimation of the UAW during the Great Recession. GM and Chrysler declared bankruptcy, and the federal government demanded—and received—draconian concessions from the union in return for a bailout, in which the owners suffered nothing. And in a final blow to workers and the union, partnership and the resultant worker demoralization helped make possible the recent enactment of a right-to-work law in Michigan, the very cradle of industrial unionism.

Throughout all of this, the automobile manufacturers continued unilaterally to pursue their interests. While the union bashed the Japanese, the corporations partnered with Japanese companies. They took the profits they made from union concessions and invested them in foreign operations, which, the author informs readers, are now the major source of their profits, and where corporate assets are not subject to U.S. bankruptcy laws. They began to spin off their parts components, converting them into quasi-independent corporations that now supplied modular components to them (such as steering wheel assemblies and seats). These new entities either operated union-free or, with UAW cooperation, remained union but with much lower wages and benefits, and weaker work rules.

A union that collaborates with employers, must, by definition, be hostile to the rank and file. In any workplace, laborers face a relentless enemy. Management continually imposes new stresses on the workers, routinely violating the collective bargaining agreement. A cooperative union must then either negotiate ever-weaker contracts or ignore the grievances that workers file. As Shotwell documents in the latter case, when workers grieve they must confront the union-management teams in the plant, both parts paid for by the employer, who have a stake in shunting the grievance aside or settling it jointly in a corporation-friendly manner, regardless of the needs of the aggrieved employees. When this fails and grievances accumulate, the national union simply concedes them in the national bargaining. When workers protest, the one-party state votes them down.

What then should workers do? How do you wage a struggle against both your employer and your union? Shotwell is a proponent of “work to rule,” which he correctly sees as a potent form of sabotage that both pressures employers to settle disputes with workers and helps workers stop and reverse the erosion of their control over the labor process. But to put this into practice will

require much patient organizing both inside and outside the workplace. It will be a difficult process, but really there is no other choice, except complete capitulation. As he poetically puts it:

Strike back.  
Strike back because your brothers and sisters are laid off.  
Strike back because you hate the bastards.  
Strike back to redeem your dignity.  
Strike back for full employment.  
Strike back to abolish inequality.  
Strike back because your job is a bore and your boss is an ass.  
Strike back for freedom.  
Strike back to restore the balance of power.  
Strike back because you are human and care about life.  
Strike back to break the corporate chokehold.  
Strike back to get the leeches off our backs.  
Strike back for more democracy.  
Strike back because they never listen to you.  
Strike back to control the means of production.  
Strike back because Medicare doesn't cover prescriptions for your mother.  
Strike back because politicians retire in splendor.  
Strike back because injunctions are only against unions and never against management.  
Strike back because judges are the lackeys of industry.  
Strike back because no one believes in the system.  
Strike back to show we can strike back.  
Strike back.

### **The Service Employees International Union**

Unlike Shotwell, Jane McAlevey was never a rank-and-file worker. She was appointed to various union staff positions after working in a number of social-change organizations. Most of her book describes her tenure as executive director of a large local of public and private sector workers in Las Vegas. She tells readers that *Raising Expectations* is about organizing; it is, but it is also a memoir centering on herself and her wars with the SEIU's top leadership. Nonetheless, she has much of interest to say about both how successfully to help workers organize unions and negotiate good collective bargaining agreements and why most unions do neither.

Just as with Shotwell's book, McAlevey's account of her time with SEIU should be put into historical perspective. Founded in 1921, the Building Service Employees International Union (BSEIU) initially organized janitors, elevator operators, window washers, and doormen. It eventually began to

organize other types of workers and to merge with other unions. In 1968, it became the SEIU, and since then it has continued to grow and to merge, most notably with a majority of the locals of the left-led hospital workers' union, 1199. Today the SEIU is one of the largest labor organizations in the country, with about 1.8 million members. It is a major union in health care—where McAlevey did most of her SEIU work—with nurses, hospital staff persons, nursing home employees, and home health-care workers among its members.

The two persons most associated with SEIU's rapid growth are John Sweeney and Andrew Stern. Sweeney led the large New York City local of SEIU, the often-corrupt Local 32BJ, and moved from there to the presidency of the national union, where he helped engineer the famous Justice for Janitors organizing drives. Not long after Sweeney became president of the AFL-CIO in 1995, Stern was elected SEIU's president.

Stern believed that only by raising union density, through organizing in a particular market, could a union gain enough power to improve the lives of its members and achieve enough political leverage to gain further improvements, for its members and the entire working class. However, Stern's other ideas undermined this model's logic. Like most top union leaders, he was a proponent of labor-management partnership and an enemy of the strike. He said that strikes and class struggle were remnants of a bygone era; the modern union had to offer employers "added value," that is, a bigger bottom line. As we saw with the UAW, such a philosophy ultimately weakens the union and stifles democracy.

As in the UAW, the SEIU's partnership strategy faced internal resistance. And like the UAW, the SEIU is a one-party state, intolerant of internal rebellion. Stern demoted or fired those who opposed him and trusteeed (took over) dissident locals. When one of the largest, most militant, and successful locals, California's United Healthcare Workers (UHW), led by Sal Rosselli, was trusteeed in January 2009, SEIU's UAW-like class-collaboration trajectory reached its logical conclusion. Rosselli was an Executive Board member; a great organizer; had work experience as a SEIU member; had helped workers win pacesetting wages, benefits, and working conditions; and was a strong advocate for patients in the hospitals his local had organized. However, in 2007–2008, he began to question SEIU's partnership approach and to argue in favor of greater membership control over the national union through direct rank-and-file election of its top officers and board members, rather than the convention selection method used by SEIU that was more easily controlled by Stern. This won him Stern's enmity. Rosselli then defied Stern further by bringing a platform of reforms and constitutional changes to the union's convention in Puerto Rico

in 2008. He ran as an independent for election to the Executive Board, but was defeated by the Stern slate. A few months later, Stern trusteeed his local. Rosselli and his allies left the SEIU and formed a rival health-care workers' union, the National Union of Healthcare Workers (NUHW). This organization has achieved considerable success, but it has faced unrelenting hostility from SEIU, which has spent millions of dollars filing lawsuits against NUHW and individual members of it, and has actively colluded with employers to defeat NUHW in certification elections.

Jane McAlevey's account of her labor union work begins during the exciting early days of John Sweeney's New Voice team, which took charge of the AFL-CIO in 1995. The new officers were committed to organizing, and the author tells us that she was tapped to help lead an innovative project in Stamford, Connecticut, one that would build union power by concentrating on what she calls in her book, "whole worker organizing." Unions would aim to organize the "whole worker," that is, not just in the workplace but in all of the institutions and structures that constitute working-class life.

The major tool McAlevey used in Stamford, and in all of her organizing efforts, was Power Structure Analysis (PSA). She describes the PSA as follows: "You identify the real power players in a given community or area, determine what the basis of their power is, and find out who their natural allies and opponents are. Based on that knowledge, you formulate a plan for enhancing the power of your allies and neutralizing that of your opponents."

The "quantitative phase" involved an "exhaustive study of demographics, voting trends, political donations and the like." To this, she added "the qualitative phase," an "equally exhausting pooling of the collective knowledge of our members." The quantitative part of the PSA was conducted by professionals, hired by McAlevey, while the second was done by the members themselves.

Not only was the PSA important as a descriptive device, pinpointing who had power, but it also served as an educational tool. With it, McAlevey taught workers about power and showed them how to increase and use their own strength. In Stamford, the PSA-inspired mobilization of the members of the unions participating in the project succeeded in increasing union membership in the area, stopping the planned demolition of a large tract of public housing (where many union members lived), and winning millions of public dollars to improve that housing. And in nearly all of the places McAlevey worked in her ten years as an organizer, the PSA technique proved exceptionally useful: in identifying public housing as a key concern of workers in Stamford; in mobilizing support in Kansas City to stop the sale of a public hospital; in figuring out in several places which local politicians could be compelled to support her organizing efforts and which could be defeated in elections; and in how to pressure employers to meet bargaining demands.



Most of McAlevey's organizing was done for the SEIU. She agreed to work for the SEIU because it had the money to make organizing possible, but she tells readers that the union was riven with "turf wars" waged by various powerful union chieftains, and that these hampered her efforts wherever she went.

McAlevey was an unusually talented organizer. So, even though she frequently ran afoul of union turf wars, she always managed to have powerful allies who sought out her skills. In 2004, she was appointed Executive Director of SEIU Local 1107 in Las Vegas. Her four years there were tumultuous. The local had 9,000 members—some were county public employees and others worked at private and public hospitals—but many of the workers under contract were not in the union. The local's officers were not much concerned with organizing; finances were in disarray; contracts were expiring; some negotiations had stalled; prosperous private hospitals remained unorganized; and member morale was low.

McAlevey set about bringing 1107 to life and making it grow. She had considerable success. Her account of what she did, and why, makes for riveting reading and valuable "how to" lessons for organizers. It is what anthropologists call "thick description," so detailed that the description itself becomes an analysis. How does an organizer identify the persons in each department of a workplace who are its natural leaders? How do you get them to lead the union, or in some cases, become union members? How do you meld the leaders into a coherent team? How do the leaders organize the workers? How do you prepare workers for inexorable employer antagonism? How do workers show the employer that they are not afraid? How does the union win allies politically and in the community who will help it defeat adversaries? How does an organizer negotiate the tensions that might exist between local and national union strategies? These and many other questions are effectively answered by the author as she tells readers what she and her allies did in "Sin City." McAlevey's ability to think and act creatively is graphically and humorously portrayed in her description of her first bargaining session with a large private hospital. Breaking with typical bargaining protocol, which limits the union negotiating team to a few members, she had scores of nurses at the bargaining table, with individual nurses making the initial union proposal to the flabbergasted management team. Not only was the employer thrown off guard, but the workers felt a sense of empowerment that carried over to future sessions.

The Las Vegas chapters of the book are exceptional in terms of the nuts and bolts of organizing and bargaining. In them, she conveys a message of utmost importance to those who want to rebuild the labor movement. Workers can be organized. They are willing to join unions in large numbers, even when they face hostile labor laws, brutal employer opposition, and considerable

personal risks.

McAlevey's work in Las Vegas was short-circuited, according to her, by the endless turf wars in SEIU. She says,

I operated on the assumption that, if you just kept winning in a principled way, the work you were doing would create the conditions for its own continued existence. The people at the top might not like you...but if you consistently succeeded at the assignments they gave you, ultimately they would give you more assignments and the work would go forward. I was wrong.... Past a certain point, winning actually becomes a liability, because the people at the top will feel threatened by the power you're accumulating unless they can control it; they cannot imagine that your ambition would not be to use that power in the same way they use theirs. It took ten years of banging my head on a wall to finally knock that into it.

The militant local she had built was, in her view, just too much for Stern, who was more interested in partnering with the employers against whom McAlevey was waging war. The pretext for her departure took place in 2007 when she faced charges by members of her local of illegally interfering with elections to the local's Executive Board. She writes that she was unaware that she had violated any laws. She says that she was so burned out from the constant turf wars and several years of nonstop work that she was simply "off her game" and caught off guard. To keep the peace, she agreed to resign her post in June 2008, as did the local's president, who had been her long-time adversary.

While *Raising Expectations* contains much of interest, it contains critical flaws: problems that are reflective of what is wrong with organized labor in the United States, and are associated with the intra-union power struggles and top-down governance criticized by the author.

For example, the author has a limited sense of history, of the truth that we all build on the efforts of those who came before us. Nothing that McAlevey did was new, but she often writes as if it was. She makes it appear that she invented Power Structure Analysis, at least its adaptation to labor organizing, when in fact such techniques have often been used by labor unions. Jerry Tucker did a sophisticated PSA in his 1978 defeat of a right-to-work initiative in Missouri, and in many other campaigns. Similarly with "whole worker organizing," she ignores a long history of union efforts to integrate workplace and community organizing. Packinghouse workers in the 1930s spread their organizing from the meatpacking plants into the workers' communities, leading the drive for the racial integration of local businesses. Unions have built hospitals and housing for their members. The UAW strongholds in Michigan and Ohio created entire "union towns," in which victories in the factories translated into the creation of local working-class democracies. This history escapes McAlevey, who gives the

impression that every situation in which she finds herself is a *tabula rasa*, to be filled by her innovative strategy and tactics, always in the face of ignorant and recalcitrant labor leaders.

McAlevey also often fails to see that building a labor movement is a collective effort. She makes much of her isolation in the right-to-work state of Nevada. However, Las Vegas is not an isolated town in the nonunion South. It is home to a strong labor movement, with a vital and large union of culinary workers, and considerable political muscle. Furthermore, California, with strong unions facing the same employers she did, was just across the border. Private-sector hospitals in California had been organized, with workers winning superior wages, benefits, working conditions, and patient protections. She would not have been able to win good contracts with the private hospital corporations in Las Vegas without the prior success of her California counterparts. Yet, she gives them no credit and seems to go out of her way to say that they did not help her at all, which, I have learned since reading her book, is not true.

Finally, a reasonable reader might question the depth of her commitment to rank-and-file workers. She frequently denigrated the local's officers, but instead of doing a PSA of the local to find out how they could be won over to her vision, she illegally tried to overthrow them. She argues that a modern union needs a paid professional staff, presumably comprised of people like her, recruited from outside of the local union. But it seems not to have occurred to her that the rank-and-file members could be trained to be professionals, to do anything she could do, and with the advantage of having performed the work of the members they represented.

I was surprised to find out, again after reading the book, that despite all of her sharp and accurate criticisms of Stern and the SEIU leadership, she agreed to serve on the national union's Executive Board in 2007; in fact, she was appointed by Stern. Then in 2008, she ran (and won), on Stern's team, in Executive Board elections, after the SEIU had long since gone down the path of UAW-like partnership. How is it possible that you can be a champion of member empowerment and serve on the very executive body of a union that opposes it?

## Conclusion

The trajectories of the UAW and the SEIU tell us something profoundly depressing about organized labor in the United States. Despite their radically different histories and recent growth rates, both unions embraced labor-management partnership with gusto, with the attendant autocratic leadership, member disempowerment, and limited gains from collective bargaining. How can this be? Consider something I once wrote:

organizations workers form to combat their oppression will find it difficult

to avoid being influenced by the hegemony capitalism seeks to impose over society. It has been the rule rather than the exception that labor unions become bureaucratic and conservative, even if they were radical in the beginning. The labor movement in the United States, for example, was an active participant in the anti-worker Cold War, purging and persecuting its left-led unions and radical union leaders. Unions in the rich capitalist countries have actively supported the imperialism of their nation's businesses and governments. Unions around the world have been sexist, racist, and homophobic, dividing workers just as surely as have the employers they fight against.<sup>2</sup>

Capitalism brings forth behaviors and modes of thought in its own image and likeness. We are forced to act in certain ways if we want to survive and prosper. But these cannot liberate us; they only help to recreate an oppressive system. Unions might raise wages, improve working conditions, and force governments to enact worker-friendly laws. These are good things, but they do not challenge the rule of capital. And if unions come to mirror their class enemy, they would not even be able to achieve these victories. If the UAW and the SEIU hold themselves up to a mirror today, the faces they see will be those of GM and Health Corporation of America.

And still, capital's power is never absolute, and this is what gives us hope. The brutality of its rule always calls forth rebellion. Shotwell and McAlevy show us two kinds of rebellion. Shotwell's is rooted in the daily misery of his fellow workers. He expresses what they feel and helps make them conscious of the sources of their subjugation. His essays reflect their desire for escape from the bosses' control and to use democratically what is rightfully theirs—the union they and their forebears sweated to create. When automobile laborers look at Shotwell, they see themselves. When they read his words, they feel what he expresses. He is an organic intellectual, risen up from the ranks to give voice to his class.

Shotwell grasps that it is only through the power workers have in their workplaces that they can challenge capital. Work-to-rule is his preferred method of class struggle, but he is not averse to anything that might defeat the employers. Upon the intelligence and efforts of the Shotwells of the world, and with their leadership, a working-class movement worthy of the name might yet be made, one that both the employers and their union junior partners will fear.

McAlevy's rebellion, however, centers too much on herself. Her actions were not rooted in the daily work experiences of those she helped organize and whom she represented at the bargaining table. This was not just because she did not have such work experiences. She simply does not have a working-class consciousness, a sense of herself as an interchangeable part of a

collectivity. Her sensibility is essentially bourgeois—individualistic and narcissistic. Collective give-and-take, much less self-criticism, are not in her vocabulary. When workers see her, they do not see themselves, just her. In the end, capital and the union chieftains are not afraid of such people.

While these two books chronicle the specific experiences of two people in two unions, they contain the seeds of several general lessons for building a labor movement. First, unions as presently constituted are hostile to the attainment of class power. They are often nearly as much the enemy of workers as are employers. Second, people from outside of the working class can ally themselves with workers, but they cannot comprise the bulk of its leadership. Such persons cannot understand what it means to be a worker, to feel the stress and alienation of the assembly line, the hospital ward, the office cubicle. Unless they at least spend time laboring in such places, they are bound to be separated from those they lead. Third, the most important thing experts can do is teach workers to become experts. Workers must lead themselves, and there is no reason why they cannot learn whatever is necessary for them to do so. Fourth, a labor movement has to concern itself with every aspect of working-class life: jobs, unemployment, community, politics, family, the environment. Fifth, while workers can be organized and unions can make their lives better, unless these efforts are part of an explicitly anti-capitalist project, victories will always be partial and temporary. Human liberation will never be at hand unless we strive for the abolition of the working class, for an end to wage labor, for a society in which the empowerment and improved circumstances of each is but a moment in the struggle for the collective betterment of all.

## Notes

1. Unless otherwise noted, all quotations are from the Shotwell or the McAlevy book.
2. Michael D. Yates, "Removing the Veil," from *In and Out of the Working Class* (Winnipeg: Arbeiter Ring Publishing, 2008).

## MONTHLY REVIEW

## Fifty Years Ago

The recent coups in Iraq and Syria realize the six-year old Eisenhower Doctrine's goal of anti-Communist "Arab unity" under United States protection. The coups' authors are the international oil interests, the U.S. and their local placemen—the Baath and Arab Nationalist (Nasserist) parties, assorted militarists and feudals left over from Hashemite rule in Iraq and in Syria elements from the right-wing Shaab party and the right and pro-American wing of the Moslem Brotherhood. In the Iraq coup the smell of oil was overpowering.

—Tabitha Petran, "The Coups in Iraq and Syria," *Monthly Review*, May 1963

# The Political Economy of Decollectivization in China

Zhun Xu

Decollectivization of China's rural economy in the early 1980s was one of the most significant aspects of the country's transition to a capitalist economy. Deng Xiaoping praised it as an "innovation," and its significance to the overall capitalist-oriented "reform" process surely cannot be overstated.<sup>1</sup> The Chinese government has repeatedly referred to the supposed economic benefits of decollectivization as having "greatly increased the incentives to millions of peasants."<sup>2</sup> Nevertheless, the political-economic implications of decollectivization have always been highly ambiguous, and questionable at best. Individual or small groups of peasants were frequently portrayed in mainstream accounts as political stars for initiating the process, but this served to obscure the deep resistance to decollectivization in many locales. Moreover, the deeper causes and consequences of the agrarian reform are downplayed in most writings, leaving the impression that the rural reform was in the main politically neutral.

A few works did address the political-economic aspect, but even those works were generally conformist analyses, presenting the usual stereotypes, and in accord with the official history. One of the popular stories was that peasants wanted freedom from collective controls and so they creatively and collectively dissolved their own collectives.<sup>3</sup> A typical analysis tends to follow this story line: collective farming caused years of poverty and laziness, so brave and wise peasants signed secret contracts to perform household farming. Due to the powerful incentive effects of decollectivization, agricultural production was dramatically increased. Once this was imitated nationwide with impressive results, the Chinese Communist Party (CCP) had to accept this institutional innovation from the peasants.

However, increasing evidence has shown that decollectivization did not have its acclaimed effects on efficiency.<sup>4</sup> These studies, challenging the consensus in the literature, have important implications. The economic benefits of decollectivization, it now appears, were actually not that large. This suggests that

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there were perhaps more important factors beyond the efficiency and incentive aspects offered by conventional wisdom. In particular, a class analysis is missing from the mainstream stories.

In what follows it will be argued that decollectivization served as the political basis of the capitalist transitions in China. It not only disempowered the peasantry, but broke the peasant-worker alliance, and greatly reduced the potential resistance to reform. The political significance for the CCP of the rural reform to capitalist transition cannot be overstated, and this was exactly why the CCP officially interpreted decollectivization as spontaneous and purely economic.

### Debunking the Myths Around Decollectivization Politics

There are many myths created regarding the history of decollectivization. The two most prominent are that: (1) the whole movement was largely spontaneous and apolitical, and (2) the only people who opposed decollectivization were the cadre, rather than peasants. Since these myths are the pillars of the mainstream interpretation, they are worth critical examination.

#### Spontaneous Movement?

Decollectivization in 1980s has been labeled as a spontaneous, grassroots collective action against the previous collectives. In this story, most peasants wanted decollectivization, and the CCP was passive in the reform.<sup>5</sup> But a closer reading of the actual history reveals the opposite is true.

All the anecdotes of peasants dismantling their own collectives seem to be in conflict with the basic logic of decollectivization. The mainstream explanation was that peasants did not agree with collective production. But as Chris Bramall argues, if the peasants were capable of organizing their decollectivization in the way they are said to have done, then collective agriculture would have been a huge success and there would have been no need for decollectivization.<sup>6</sup> To be sure, there were singular cases of decollectivization in small groups and isolated instances. Nevertheless it is simply ahistorical to explain the majority of cases this way.

The CCP's own report in the early days proudly claimed that decollectivization was carried out by local authorities following instructions from above.<sup>7</sup> Solid evidence of the coercive nature of the agrarian reform can be found in the official provincial records. Shanghai, one of the most developed regions in socialist China, in 1980 declared that it would not implement decollectivization. However, it quickly decollectivized its rural economy after it decided to follow national policy in 1982.<sup>8</sup>

Beijing also tried to maintain the collectives and resist decollectivization in the early 1980s. However, Hu Yaobang, then the CCP national secretary,



criticized Beijing cadre for this resistance in 1982. After that the Beijing Communist Party Committee quickly made an announcement charging that some cadre have not freed their minds and still had reservations on decollectivization, and urged its quick implementation.<sup>9</sup>

Yunnan Province had just 3.5 percent decollectivized production teams by March 1981. The provincial leadership held a meeting in May in order to “unify thoughts on decollectivization,” and in November advocated this model. By the end of 1981, Yunnan had more than half the teams decollectivized.<sup>10</sup>

In Zhejiang Province, the official record reckons that the local leaders were not enthusiastic about decollectivization and attributed this to a “lack of awareness.” The record even referred to discussions among the provincial leaders of the fact that maintaining the collective economy was deemed “inappropriate.” These unusual tones imply a fierce political struggle between the local leaders and the pro-decollectivization central leaders. In August and September, Zhejiang had several cadre meetings to correct “the leftist errors in the agrarian reform” and advocate household farming. The result was clear: whereas less than 40 percent had been decollectivized in June 1982, by April 1983 more than 90 percent of teams were.<sup>11</sup>

Hunan Province had a similar story with Zhejiang. The Hunan leaders were initially supportive of collectives. However, several central leaders went down to push for decollectivization in spring 1981. After that, the provincial party secretary officially apologized for his lack of understanding of the central policy and the slow pace of decollectivization. The Hunan leaders then started the campaign, and within one year nearly 80 percent of the teams were decollectivized.<sup>12</sup>

Du Runsheng, the architect of nationwide decollectivization, revealed more inside information in his recent memoirs. Du claims that some provinces accepted household agriculture only after replacing their leadership; this included Fujian, Jilin, Hunan, Guangxi, and Heilongjiang provinces.<sup>13</sup> Moreover, Du also documented how the central leaders pushed the decollectivization campaign using their authority. For example, after the CCP national leader Hu Yaobang went to Hebei Province and criticized their slow adoption of household agriculture, the household model was rapidly implemented.<sup>14</sup> Hu also publicly claimed that those cadres who opposed decollectivization should just be removed.<sup>15</sup>

Pressures from above were also well documented in the literature.<sup>16</sup> Even one of the leading defenders of decollectivization admitted that, “although family farming began as a peasant innovation that did not mean all peasant communities wanted it.” But he still claimed that after the process most peasants appeared to accept their share of the land with pleasure.<sup>17</sup> Some authors are clearly selective in presenting evidence. For example, Kate Xiao Zhou quotes

Shu-min Huang to show that collectivization was spontaneous, but then ignores a story in Huang's book which suggests decollectivization was enforced by the CCP.<sup>18</sup>

It is difficult to say how many peasants actually favored family farming, but according to a national survey by He Xuefeng, an expert on rural issues in China, at least one-third had considerable reservations about decollectivization.<sup>19</sup> The CCP clearly played a crucial role in the early 1980s as the whole reform was rapidly implemented nationwide.

Zhou claimed that no work team was ever sent down to villages to carry out decollectivization and regarded this as important evidence of the absence of state power in the campaign.<sup>20</sup> However, several provincial records mention large-scale work teams; for example, more than ten thousand people were sent down to implement decollectivization in Fujian Province.<sup>21</sup> Moreover, work teams were not necessary when the existing political machine was capable. An interview about a Jiangxi Province team vividly illustrates the passive role of the peasants: "The communist Party cadre had held a meeting at the commune. Then the team head returned and held a team cadre meeting. Cadre called the system 'divide the land to the households' (*fen tian dao hu*). The cadre didn't propagandize the system; they just held a meeting [of team members] and said this was the way it was going to be done."<sup>22</sup>

As a matter of fact, even researchers who were not necessarily supportive of the collectives also claim that the decollectivization campaign was far from spontaneous. Anita Chan, Richard Madsen, and Jonathan Unger document that, like many campaigns before, Beijing indicated a decided enthusiasm to see decollectivization adopted; some local cadre who appeared reluctant to implement it found themselves publicly chastised for leftist thinking.<sup>23</sup> Thomas Bernstein admits that by 1982 the adoption of the household model became a matter of compliance with the current party line and was pushed through regardless of local preferences.<sup>24</sup>

This evidence challenged the view that the decollectivization was a spontaneous collective action and showed that agrarian reform was highly political and led by the CCP from the beginning. This naturally leads to the question of understanding the resistance to decollectivization in the early 1980s.

### Opposition to Decollectivization

Let us turn to the second dominant myth: where there was significant opposition to decollectivization, it came from cadre who were simply afraid of losing control of peasants.<sup>25</sup> A concise phrase, often quoted in China's mainstream media, summarizing this is: "The top (leaders) agreed, the bottom (peasants) desired, the middle (cadre) blocked."<sup>26</sup>

Some cadre might not have wanted decollectivization because

“management would become difficult,”<sup>27</sup> but it is hard to believe that a majority of cadre would simply oppose the policy from the central leaders because of fear of “losing control.” As the last section showed, opposing decollectivization was close to committing political suicide, while following the central policy could be quite rewarding. As David Zweig documents, the provincial party committee in Shaanxi province changed the leadership in Zhidan county in 1978 because of its continued support for a radical agrarian policy (i.e., collectivization).<sup>28</sup> In winter 1979 the new county leadership allocated land to groups and households in 90 percent of the teams in the county, and this was not an isolated case. Dongping Han also noted that Jimo county in Shandong Province was forced to accept decollectivization, and local leaders who opposed it were removed from their office.<sup>29</sup> In an extreme case a rank-and-file pro-decollectivization researcher in Hebei Province was directly promoted to the provincial standing committee of the CCP.<sup>30</sup> Provincial-level cadre resisted decollectivization for a short time, but as soon as they realized the intention of the central leaders, their attitudes “swung full circle” to secure their political positions.<sup>31</sup> There were still some pro-collective provincial leaders who were able to resist, but they could not continue supporting the collectives for very long.<sup>32</sup>

Roderick MacFarquhar observes that rural cadres were initially unhappy about their new tasks, but soon realized the rural reform could benefit them; their political skills and connections could both preserve their status and increase their incomes.<sup>33</sup> Interestingly, Shu-min Huang also suggests that many local cadre were enthusiastically promoting decollectivization because they could then take over the collective enterprises and make profits.<sup>34</sup> The experience and connections they gained as leaders of the collectives would allow them to run these firms as their own. Huang suggests that ordinary peasants and workers in the collectives were very worried about their future and protested vigorously, and Han describes similar political changes.<sup>35</sup> With decollectivization, collective enterprises were left under the control of the village party leaders and firm managers who often then rented the enterprises—or simply bought them, despite strong resistance from villagers. Decollectivization disempowered peasants. The loss of collective economic interests fragmented their political power. Village leaders, in contrast, were able to concentrate political power in their own hands and hence gained the most from decollectivization.

Although anecdotally we know some high-level cadre also opposed reform, their voices were never significant in the public arena.<sup>36</sup> Some authors have tried to find some anti-decollectivization central leaders, but their arguments are unconvincing. Take Kate Xiao Zhou for example; she identifies Prime Minister Zhao Ziyang as a central leader who opposed decollectivization in 1980, but on the same page she counts Zhao as a pro-decollectivization leader on another occasion in 1980!<sup>37</sup> In fact, the CCP’s dominant figure

Deng Xiaoping highly praised decollectivization as early as 1980, so it was very unlikely that any central leader would oppose decollectivization, as observed by MacFarquhar and confirmed by Zhao Ziyang himself.<sup>38</sup>

Huang documents a story in southeast China where the higher authorities and some villagers pressured the local leader to dismantle the collective, but the leader was able to resist until 1984.<sup>39</sup> He did not resist because he was afraid of losing control, since he would remain in a position of unchallenged power even after decollectivization; he simply felt that a system that was working well should not be destroyed.

The official provincial records mention reactions from some peasants and cadres. For example, in Jilin Province, some old Communist Party members publicly claimed that there would not be any socialism without collectives—not to mention communism or the Communist Party! Some cadres are reported to have burst into tears when they divided farm land and draft animals. They were sincerely afraid that the merits of collectives such as economy of scale, mechanization, and diversified production would get lost after decollectivization.<sup>40</sup>

Another report from Lu'an district in Anhui Province is also illuminating.<sup>41</sup> The author carefully documents two debates in 1979 among the cadre on whether they should follow the direction of decollectivization. The pro-collective cadre raised several major critiques of decollectivization. First, they observed that leadership rather than decollectivization explained the growth in agriculture. Second, only 30 percent of the peasants who had a high level of labor and human capital wanted decollectivization. Third, agriculture naturally required collective decision making in irrigation and farming. These arguments were strong and not related to the concern of “losing control” at all. So the pro-collective faction actually won the first debate. However, under clear pressures from pro-decollectivization leaders, the pro-collective cadre had to make significant compromises in the second debate and their critiques were dismissed.

Therefore, the overall change to decollectivization was potentially beneficial for the cadre,<sup>42</sup> but not so much for ordinary peasants. An award-winning pro-reform novel in 1981 showed different attitudes on the reform in a very subtle way. In it a young and educated cadre member started decollectivization reform; other “leaders” opposed him while the “peasants” welcomed it, and some anti-decollectivization women first opposed him but later agreed to his reform ideas.<sup>43</sup> In this novel, the contradictions previously mentioned were solved by the leader’s superman spirit: he deliberately allocated inferior land to himself rather than take advantage of the situation. Moreover, he worked day and night for free for those families with insufficient labor. However, the logical problem comes up again: if this leader was so charismatic and self-sacrificing, it is hard to imagine why he could not lead peasants in collective production.



The interpretation that depicts agrarian reform as a bottom-up movement originating with the peasants and opposed by local cadre is fatally flawed. The cadre and a small part of peasants implemented and benefitted from reform. The average peasant was not enthusiastic, and was even opposed to, decollectivization in some cases. But the question is: If the reform was actually led by the CCP cadre and other advantaged groups, then what was their major goal? A brief review of the CCP party lines on agrarian relations over the last three decades sheds some light on this.

### Changing Political Winds

Mao's death in 1976 marked a new era in China. It was not long before Deng Xiaoping became the most powerful person in the CCP central committee. Although he and his allies were longtime supporters of household production, it was not clear at the beginning that he wanted to dismantle the collective economy so rapidly. In his famous political speech in 1978 which outlined his plan for economy wide market reforms, he only mentioned agriculture briefly.<sup>44</sup> For example, he said: "Now the most important task is to increase the autonomy of factories and production teams...how much wealth can be produced out of that!...the more wealth individuals create for the state, the more income they should receive and the collective welfare could be better."<sup>45</sup>

It was clear that he did not appreciate the Maoist collectives with egalitarian income distribution. However, his critique of collective agriculture was very general. Around this time, the CCP also passed a new resolution on agricultural development, which encouraged collectives to rely on economic incentives and raised procurement prices to increase peasants' income.<sup>46</sup> The official CCP documents concluded that the main problem with collective agriculture was a legacy from "extreme-leftists" in the Cultural Revolution. Nevertheless, all the new policies clearly retained the collective model.

In an extremely important political resolution in 1981 the CCP cadre finally reached a general consensus on its own history.<sup>47</sup> This report basically settled the debates within the party and provided a formal evaluation of Mao and his policies. It is interesting to note that although the report criticized many aspects of the Cultural Revolution and claimed it caused huge waste and unnecessary cost to the economy, it praised agriculture, with its increased grain production, as one of very few fields that had made "steady growth." Along this line, some history books also held that agriculture was steadily growing in spite of the Cultural Revolution.<sup>48</sup>

After the decollectivization reform was rapidly carried out, the collective economy began to be seen as "stagnant." In a political report to the CCP 12th National Congress in 1982, Hu Yaobang claimed that as "the previous 'left' error in the direction" had been corrected, "agricultural performance was

immediately changed significantly, from stagnant to prosperous.”<sup>49</sup> This became the standard description of collective agriculture afterwards. The problem was now not only identified with the “extreme-left,” but also with the normal “left.” In the same national congress, Du Runsheng, head of the agricultural committee in the state council, explained: “the left error in agriculture had been there for more than 20 years until the responsibility system and especially ‘bao gan dao hu’ (decollectivization) gave a strong fight back; long-suppressed incentives were released and long-lasting stagnation in agriculture was changed.”<sup>50</sup> Therefore, the CCP’s 12th National Congress in 1982 started demonizing collectives, only one year after the CCP had praised collective agriculture for its “steady growth.”

However, the evaluation of decollectivization was also subject to change. After 1984, grain production stagnated for quite a while. The CCP leaders changed their tune on this issue. Zhao Ziyang claimed agriculture needed policy support beyond decollectivization if it were to move forward.<sup>51</sup> Du Runsheng also downplayed decollectivization and said that agriculture ultimately depended on more technological progress.<sup>52</sup>

Interestingly, collective agriculture was not always demonized; in fact, the evaluation varied according to the political atmosphere. For example, after the events in Tiananmen Square in 1989, political figures had to pretend to be a bit more “left” than they were in the 1980s. As D.Y. Hsu and P.Y. Ching discovered, the leaders began repeatedly praising the achievements of the past forty years.<sup>53</sup> Hsu and Ching also offer this example: “China’s vice-premier, Tien Chi-yun (Tian Jiyun) acknowledged that the development of the agriculture infrastructure in the thirty years before the reform was the main reason for increases in agricultural production since the reform.”<sup>54</sup> It was also after the political unrest in 1989 that the new CCP leader Jiang Zemin deliberately changed the name of the “household responsibility system” (the standard decollectivization policy) to the “responsibility system” in his speech for the 40th National Day in 1989.<sup>55</sup> This change, though subtle, implicitly understated the substance of decollectivization in the reform.<sup>56</sup> However, as the political pressure was relieved in the early 1990s, the name “household responsibility system” was restored and has remained since. This was further confirmed by the report of the CCP’s 15th Central Committee 3rd Plenary, in which the decollectivization of the rural economy was considered to have led, and greatly contributed to, the whole market reform.<sup>57</sup>

But since the new century began, the previously stabilized party line on household production has once again changed. The leaders forgot that they used to insist that only individual or family farming can have effective incentives. Now they think incentives are effective when workers work together—as long as they are wage laborers working for a capitalist owner. The new political argument maintains the superiority of household over

collective farming, but at the same time points out the limits of small-household farming. As an alternative it calls for land consolidation to reach a sufficient scale to launch agricultural investment and more efficient management. Household production is now considered to be inefficient. Of course this assessment was never mentioned in the story against collective farming in the 1980s when small peasants were avowed to be the basis of agriculture modernization.<sup>58</sup>

The new line was clear in the resolutions from the CCP's 16th and 17th Central Committee 3rd Plenary in 2002 and 2008 respectively.<sup>59</sup> Particularly, the resolution passed by the 17th Central Committee 3rd Plenary focused on rural development and it encouraged peasants to trade land use rights to concentrate land for more large-scale efficient agricultural production.

The party line on agriculture has constantly changed over the last thirty years. The mainstream media mostly followed the changes in the party lines. At first, collective agriculture was good, but soon the household model was applauded. Later, the CCP and the mainstream media began to claim that in fact households were not productive enough, and advocated land consolidation. The scale of agricultural units changed cyclically, from large farms to small, then back to large. The ownership structure, in contrast, changed monotonically, with a continuous erosion of collective ownership. Perhaps these changes in the party lines can point toward a causal explanation of the whole agrarian change. At least it makes one even more curious about the political motivations that pushed decollectivization.

### **Causes and Conditions of Decollectivization in the Post-Mao Context**

Although many members of the central leadership including Deng Xiaoping were fond of household agriculture, this is not sufficient to explain the decollectivization of the whole rural economy. It is possible that the reform could have been enforced, but it would not have been as smooth as it was. It is also unlikely that Deng and other pragmatic bureaucrats would have supported something without sufficient conditions having been prepared. This section will analyze the political causes of, and the conditions for, decollectivization.

#### **The "End" of Class Struggle**

A short time after Mao's death, everything that sustained the Maoist society seemed to be changed. Indeed, the now endless condemnation of the Cultural Revolution activists, the restoration of the old cadre who lost power during the Cultural Revolution and the previous political campaigns,<sup>60</sup> and the emerging scar literature (which described the destructive impacts of the previous era) all marked the political failure of Mao and his allies. Moreover,



the bureaucrats reached out to form alliances with upper-level intellectuals who lost their privileges during Mao's time. The new intellectual policies such as reestablishing the national college entrance exam were ways of gaining support from them. As Maurice Meisner argued, Deng Xiaoping succeeded in taking over power from Hua Guofeng (Mao's immediate successor), based on his wide support from cadre, military, and intellectuals.<sup>61</sup> Although they may differ from the past and will differ in the future, at the end of the 1970s these political forces united under Deng on the common ground that the stable bureaucratic order shall be maintained, and that Maoist mass movements like the Cultural Revolution shall not be repeated. ✓

This change, in the elites' interests, was expressed in the CCP's political and economic policies. A resolution in the CCP's 11th Central Committee 3rd Plenary changed the central principle of the CCP from "class struggle" to "modernization." The resolution also claimed that since the errors of the Cultural Revolution had been corrected, the major political enemy of workers and peasants was gone. This point was further explored in the 1981 resolution from 11th Central Committee 6th Plenary, as it officially announced that class struggle was not the major contradiction in China any more.<sup>62</sup> Of course, this assertion was true only in the sense that the bureaucrats and their allies now enjoyed overwhelming power over the country, as their major political opponents within the CCP were already defeated. However, the workers and peasants were yet to be tamed and remained the potential enemies of the bureaucrats.

The strong push for modernization, plus the admiration of advanced capitalist countries' wealth, created an ideology that China must catch up with advanced capitalism using their "scientific and advanced" technology and management. But exactly what was "scientific and advanced"? Deng had already given the answer in 1978: the responsibility system. This vague term included more power to management, more power to technicians and intellectuals, and stricter labor discipline with bonuses and punishment.<sup>63</sup>

In fact, capitalist-oriented reform was already being implemented in the urban industries since the late 1970s.<sup>64</sup> In the minds of the CCP leaders, modernization was clearly different from socialism, and it was not likely to be welcomed by workers. However, these tendencies and trends had not caused immediate social conflicts. One of the major reasons was that, instead of trying to extract more from workers and peasants, the government pretended to compromise with them. In rural areas the agricultural procurement prices were raised dramatically and in urban areas workers got more dividends and awards.<sup>65</sup> These measures were supposed to enhance the incentives of workers and peasants and indeed agriculture and light industry enjoyed fast growth afterwards. But the honeymoon between the capitalist-minded cadre, and the workers and peasants, soon came to an end.

### Frustrating Urban Reform

The modernization program in industry was in fact a war on workers in the public-owned enterprises. Jiang Zilong, then a worker writer, published a novel in 1979 that illustrates the conflicts between the reformer cadre and workers.<sup>66</sup> In the story, a brave, smart, and newly appointed factory director, accompanied by his very intelligent wife (who both had been studying in an advanced country—the Soviet Union), observed that, due to a loss of ideals after the Cultural Revolution, the workers were lazy and shirking their jobs. As the standard “scientific management” would suggest, they used very harsh methods towards the workers, including firing more than 1,000 non-tenured workers to increase productivity. Many workers hated him and wrote complaints to the factory’s party secretary, hoping the CCP would save them; however, the party secretary was of the same mind as the director. In the end, high-level leaders encouraged the director to feel free to experiment, while the leaders in the factory decided to go to an advanced country to learn more about new management techniques.

What this novel described was exactly the direction of urban reform. Instead of increasing workers’ participation and political power, leaders became commanders and workers were merely disciplined to serve production. Although in this novel the goal of factory leadership was still “modernization,” it could be easily changed to profits for the leadership afterwards because workers would have no power at all. Nevertheless, it would be fair to say that at the end of the 1970s workers’ power was still considerable in most cases, and even many workers who supported reform did not accept capitalism. Take the author of the novel as an example; although he advocated reform at the beginning, Jiang later rethought his position, and has publicly opposed privatization and suppression of workers.<sup>67</sup>

According to MacFarquhar, strong opposition in the 1980s to urban reform posed great problems for the CCP.<sup>68</sup> The failure of urban reform was shown clearly in the huge deficit in 1979 and 1980 (although it did not cause immediate social tension). It was not only caused by the increased pay for workers and peasants, but also by the large-scale imports from foreign countries under the ambitious modernization programs.<sup>69</sup> The Chinese people were shocked by the resulting inflation, as there had been no inflation in the Maoist China.<sup>70</sup> In order to balance the budget, the CCP had to close many factories, and that caused massive unemployment.<sup>71</sup> As a mainstream history book admitted: “in the late 1980s, due to some negative effects of the New Great Leap Forward on state owned enterprises, there were fiscal deficits, accelerating inflation and chaotic economic order.”<sup>72</sup>

Thus it was clear that the compromise between cadre and worker was not going to continue. First, the basic idea of reform was to discipline workers to

make more profits; so sooner or later the conflict of interests would come to the surface. Second, even if the cadre planned to buy support for reform from workers, they were not able to do so anymore, given the severe conditions in the cities.

The problems in the urban areas led to the first political and economic crisis of the post-Mao CCP. It became politically risky to proceed with the capitalist line since that would lead to direct confrontation with workers in bad economic conditions. It was natural that the cadre turned to the rural economy in 1980.<sup>73</sup>

#### The Weak Link

The CCP leaders were fortunate in the sense that the rural economy was the Achilles' heel of the socialist economy. Not only were one-third of the collectives not in good shape, but even the more successful ones suffered from a number of problems.<sup>74</sup>

First, even though collective agriculture had impressive achievements, the fast growing population cancelled out many of their gains. Sulamith Potter and Jack Potter showed that, in the commune they studied, per capita distribution (income from work points per person) fell from a high of about 180 yuan in 1962, to a level just over 100 yuan in most of 1960s and '70s, even though the gross output kept increasing.<sup>75</sup> Although the rapid population growth due to better health care and other improvements in the quality of life slowed down in the 1970s, it was not sufficient to overturn the trend. On the national level, grain production increased annually by 2.68 percent from 1956 to 1978; at the same time population grew annually by 1.95 percent, so there was limited improvement in per capita product despite the growth in agriculture.<sup>76</sup>

Second, there was a lack of mechanization in agriculture. Collective farming is not necessarily more productive than individual farming unless it has sufficient mechanization and infrastructure. In Mao's time, a lot of infrastructure was built by the communes, but mechanization only started to increase rapidly in the mid-1970s.

Third, different historical paths led to different performances in collective farming. As William Hinton pointed out, the successful collectives he saw had a long history of land reform and military struggle against reactionaries, and in that process many strong peasant political leaders emerged and led collective production.<sup>77</sup> Other places, such as Anhui Province, were quickly led to land reform and collectivization by outsiders rather than local political leaders. In those places, collective farming was never as widely accepted by the peasants.

Last but not least, the prevailing political stratification dampened the mobilization and organizational capacity of the collectives, which led to underperformance of collective farming. In some cases, the lack of socialist superstructure reduced the peasants' potential support for maintaining the



collectives.

The underperformance of collective farming in many places made it an easier case for the central authority to stress the inefficiency of the collective regime and enforce the decollectivization reform. Peasants' political power was never as strong as that of industrial workers who had been through decades of experience with industrialization and political organizing. Therefore, the relative weakness of peasants both economically and politically made them the first major target after the failure of urban reform.

### Selling Decollectivization

Even with a relatively less powerful peasantry, decollectivization was not easy. Reform faced oppositions on all levels. The strong resistance was largely due to the benefits the peasants received from the collectives and long-time emphasis on collective farming during Mao's time. But it turned out that the CCP indeed convinced many peasants that decollectivization would be both efficient and socialist. A strange blend of bourgeois propaganda and the old revolutionary slogans, the campaign was so successful that it deserves a separate discussion.

First, the leaders always tried to fit their new policies in line with the socialist tradition. From the very beginning, the cadres were very careful with their language. For example, Deng and others always used the term "responsibility system." It was deliberately vague because no one would reject the necessity to have people take responsibility for their work. As a matter of fact, during the Maoist period the collectives encouraged and widely contracted small jobs to either groups or individuals, and these measures did not change the nature of the collective.<sup>78</sup> However, radical decollectivization reforms were hidden under this name, as if they were the same as existing small-job contracting. The CCP also tried very hard to differentiate decollectivization from complete privatization as the nominal ownership of land was kept collective. This vagueness of propaganda helped peasants and cadres perceive the reform as still socialist and progressive.<sup>79</sup>

An interesting anecdote shows the most important agenda under the "responsibility" name tag was actually not "responsibility" per se. During the decollectivization campaign, Romanian government representatives visited China and asked whether the "household responsibility system" might simply be renamed the "responsibility system," since the inclusion of "household" made it look too similar to privatization. This suggestion was quickly rejected by the policy makers because they saw the "household" aspect of decollectivization as the key element in the reform package.<sup>80</sup>

There was a deliberate vagueness in the two most popular terms in the decollectivization campaign: *da bao gan* and *lianchan*. The first term in Chinese actually means "divide the land and work on your own." However, it

has another possible meaning: "guarantee to work." Many people thought the term referred to the second meaning which clearly does not have any political implication. The second term means "linking revenue to production," which means the collectives are not responsible for allocating income. But in the Chinese language, the term could also imply some sort of "cooperative production." Again, many people wrongly believe that it refers to the second meaning.

Second, while the cadre failed to buy workers' support for the reform, they succeeded with peasants. Through the transition period (1979–1984) peasants' income increased greatly mainly due to increased procurement prices. Propaganda attributed this achievement to decollectivization. Therefore, at least at the beginning, most peasants had positive views on the rural reforms.

Finally, in face of challenges from the pro-collective camp, the reformers always avoided direct confrontation and used sophisticated diplomatic skills. For example, many pro-decollectivization reports in the early 1980s admitted that the rural reform could lead to eventually dismantling the collectives and restoration of petty peasant production.<sup>81</sup> However, they only acknowledged these problems on an abstract level; on a concrete level they would only present pro-decollectivization cases. They also argued that a small degree of decollectivization would not really hurt socialist agriculture. In the end they would optimistically conclude with definitive support for further decollectivization as the "inevitable trend."

Summarizing our discussions on the causes of decollectivization, the strong workers' opposition directly caused the failure of urban reform, which pushed the CCP to refocus its attention on rural reform. For all the factors considered above, rural collectives were vulnerable to the attacks from the CCP. At the same time, the importance of ideology in the nationwide agrarian reform should not be underestimated.

### Political Consequences

With the success of decollectivization in rural areas, the CCP could restart their urban programs, as the resolution of CCP 12th Central Committee 3rd Plenary in 1984 concluded: the rural reform was mostly finished, and now the focus was on urban reform.<sup>82</sup> Why were they so confident about dealing with workers at this juncture?

First, the peasants ceased to be an important political force in China. The decollectivization which transformed the organized and collective peasantry into independent and competing petty producers greatly disempowered the peasantry as a whole.

The potential threat of a peasants' revolt always loomed large to the CCP leaders, who had led a peasant revolution themselves. Even a decade after

rural decollectivization, a Chinese vice premier reportedly claimed that no one in the present regime could hold on to power if there were problems in the countryside.<sup>83</sup> The leaders in the early 1990s knew that if the farms were recollectivized, it would inevitably lead to a severe deterioration in the relations between the peasantry and the party and government. The fear of peasant power also partly explained the leaders' unwillingness to set up a farmers' association, despite numerous proposals.<sup>84</sup>

Decollectivization has largely achieved the aim of disempowering peasants and the CCP successfully eliminated one big threat to the further transition to capitalism. For example, they kept silent when political unrest caused by privatization and market reform accumulated in late 1980s. When students in Tiananmen Square were asked where the peasants were, the answer was "they are all asleep."<sup>85</sup> At the same time Deng Xiaoping assured other leaders that there were no problems with the peasants.<sup>86</sup> Even in those riots in subsequent years, they were not as threatening as they could be if organized.

Second, the traditional peasant-worker alliance was broken. The temporary income increase in the countryside persuaded most peasants to support further reforms. There was also the long-run outcome of providing an almost infinite labor supply to private industries in the urban areas, since after agrarian reform the CCP encouraged individual peasants to sell their labor power in the city. The urban labor glut greatly undermined the power of the old working class in publicly owned enterprises. It was under these conditions, including mass unemployment, that further urban reform was made possible.

The peasants were not any better off than urban workers as their own political position declined and the need for the CCP to appease them decreased. Table 1 shows the historical changes of the ratio of urban-to-rural per capita income in Column 1. Although the peasants' passiveness in the late 1980s might be explained by their satisfaction that the urban-rural gap was dramatically reduced, the same logic cannot be applied to the later period when the gap widened again and finally became much larger than it was in 1980. The decline of the peasants' political power also indirectly led to the relative decrease of state investment in agriculture. Clearly, the policy makers seemed to have forgotten the countryside. As Column 2 in Table 1 shows, the share of rural expenditure in the whole fiscal budget declined from its highest level in the collective era, even after adjusting for the declining rural population. Moreover, Column 3 in Table 1 shows how the rural infrastructure expenditure share within the already small rural fiscal budget also went down dramatically compared to the collective era.

The workers and peasants were potential opponents of capitalism, and the CCP would have been unwise to face the two opponents at the same time. However, after dissolving the power of the peasantry, the CCP could now face the workers alone. Even if the peasants began to experience hardship in



later years, they did not have the solidarity and organization that they used to enjoy in the collective era.

## Conclusion

The propaganda efforts of the CCP tried to make the rural reform look spontaneous and politically neutral. Yet it is also clear from the changing party lines that reform was always a political issue. This article has discussed the political tensions between the CCP and peasants and workers, arguing that the rural reform served as the political basis of the later capitalist transitions although the CCP always tried to downplay the political significance of decollectivization.

In fact, the politics of decollectivization were made clear by Mao as early as 1962: "Do we want socialism or capitalism? Do we want collectivization or decollectivization?"<sup>87</sup> In particular, he reminded everyone to "never forget class struggle." Despite the continuous depoliticization efforts by the CCP, China is having more and more anti-capitalist protests and movements.<sup>88</sup> The historical strike in Tonghua Steel Company in 2009 and the peasants' unrest in the Wukan event in 2011 are only the tip of the iceberg. Although not many peasants and workers understood Mao's reminders at the time, they definitely understand them now.

## Notes

1. Excerpts from Deng Xiaoping's talks given in Wuchang, Shenzhen, Zhuhai, and Shanghai, January 18–February 21, 1992. Published in *The Selected Works of Deng Xiaoping*, vol. 3 (Beijing: renmin chubanshe, 1993), 370–83 (in Chinese).
2. For example, see the Communiqué of the Third Plenary of the 15th Central Committee of the CCP, October 14, 1988, <http://cpc.people.com.cn> (in Chinese).
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8. Shanghai Nongyeshi Committee, *Shanghai Agricultural Records* (Shanghai: Shanghai shohu kexueyuan chubanshe, 1996), 35–36 (in Chinese).
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10. Yunnan Difangzhi Committee, *Yunnan Agricultural Records* (Kunming: Yunnan renmin chubanshe, 1998), 138–39 (in Chinese).
11. Zhejiang Nongyeshi Committee, *Zhejiang Agricultural Records* (Beijing: Zhonghua shuju, 2004), 192–98 (in Chinese).
12. Hunan Difangzhi Committee, *Hunan Agricultural Records* (Changsha: Hunan chubanshe, 1991), 53–57 (in Chinese).
13. Du Runsheng, *Du Runsheng's Recollections* (Beijing: Renmin chubanshe, 2005), 130–31 (in Chinese).
14. Ibid., 131.
15. This is confirmed in Hu Yaobang's son's recollection, "Hu Daping on the Motivations of Hu Yaobang's Reform," September 27,



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16. David Zweig, "Opposition to Change in Rural China: The System of Responsibility and People's Communes," *Asia Survey* 23, no. 7 (1983): 879-900; Kathleen Hartford, "Socialist Agriculture Is Dead: Long Live Socialist Agricultural Organizational Transformation in Rural China," in Elizabeth Perry and Christine Wong, eds., *The Political Economy of Reform in Post-Mao China: Causes, Content, and Consequences* (Cambridge, MA: Harvard University Press, 1985); William Hinton, *The Great Reversal* (New York: Monthly Review Press, 1980); Bramell, *Sources of Chinese Economic Growth*; Tongxue Tan, "Morality, Power, and Social Structure in the Transition of Rural Society" (PhD dissertation, Huazhong University of Science and Technology, 2007) (in Chinese); Han, *The Unknown Cultural Revolution*.
  17. Kellner, *Peasant Power in China*, 105.
  18. Zhou, *How the Farmers Changed China*, 28, quotes from from Huang Shu-min, *The Spiral Road: Change in a Chinese Village Through the Eyes of a Communist Party Leader* (Boulder: Westview Press, 1989), about spontaneous collectivization. The decollectivization story is in Huang Shu-min's book at 162-73.
  19. He Xuefeng, "Three Functions of People's Communes," November 14 2007, <http://isnz.cn> (in Chinese).
  20. Zhou, *How the Farmers Changed China*.
  21. Fujian Difangzhi Committee, *Fujian Communist Party Records* (Beijing: Zhongguo shehui kexue chubanshe, 1989), 189-92; Hunan Difangzhi Committee, *Hunan Agricultural Records*, 53-57 (both in Chinese).
  22. Reported in Hartford, "Socialist Agriculture Is Dead: Long Live Socialist Agriculture!," 39.
  23. Anita Chan, Richard Madsen, and Jonathan Unger, *Chao Village Under Mao and Deng* (Berkeley: University of California Press, 1992), 271.
  24. Thomas Bernstein, "Farmer Discontent and Regime Responses," in Merle Goldman and Roderick MacFarquhar, eds., *The Paradox of China's Post-Mao Reforms* (Cambridge, MA: Harvard University Press, 1989), 187-219.
  25. Lin, "Rural Reforms and Agricultural Growth in China"; Kellner, *Peasant Power in China*.
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  27. Hartford, "Socialist Agriculture Is Dead: Long Live Socialist Agriculture!"
  28. Zweig, "Opposition to Change in Rural China."
  29. Han, *The Unknown Cultural Revolution*, 158.
  30. Shi Bei, "Huge Promotion to Provincial Standing Committee," *Yanboang chengjiu* no. 7 (2007): 8-11 (in Chinese).
  31. Zweig, "Opposition to Change in Rural China."
  32. Ibid; Bramell, "Origins of the Agricultural 'Miracle'."
  33. Roderick MacFarquhar, "The Succession to Mao and the End of Maoism, 1969-82," in MacFarquhar, ed., *The Politics of China: The Eras of Mao and Deng* (Cambridge: Cambridge University Press, 1987), 248-339.
  34. Huang, *The Spiral Road*, 162-73.
  35. Han, *The Unknown Cultural Revolution*, 168-69.
  36. Here is one story: in a meeting, an old leftist cadre came to Wan Li (then governor of Anhui Province), saying that decollectivization was not egalitarian and was not achieving socialism. Wan fought back with the question: Socialism or people, which do you want? The poor man did not get the trick of the question and immediately replied: Socialism! Wan said: I want people. See Du Runsheng, *Du Runsheng's Recollections*, 128.
  37. Zhou, *How the Farmers Changed China*, 87.
  38. MacFarquhar, "The Succession to Mao and the End of Maoism, 1969-82," and confirmed by Zhao Ziyang himself; see Zhao Ziyang, *The Secret Journal of Zhao Ziyang* (Hong Kong: xinhiji chubanshe, 2009), 138 (in Chinese). Deng's talk on rural policy was given in May 1980; it was later published in the *Selected Works of Deng Xiaoping*, vol. 2 (Beijing: renmin chubanshe, 1984), 315-17 (in Chinese).
  39. Huang, *The Spiral Road*, 162-73.
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  41. Wang Yaohai, "Hard to Make the First Step," *Jiangbei wenxue* no. 4 (2007): 117-29 (in Chinese).
  42. Maurice Meisner, *Mao's China and After: A History of the People's Republic* (New York: Free Press, 1989), 483.
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  44. Deng Xiaoping, "Emancipate the Mind, Seek Truth from Facts and Unite as One in Looking to the Future," in Deng, *Selected Works of Deng Xiaoping*. Originally December 1978.
  45. Ibid.
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  47. "Resolutions on Some Historical Issues of CCP," from the CCP 11th Central Committee 8th Plenary, 1981, <http://cpc.people.com.cn> (in Chinese).
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60. Meisner, *Mao's China and After*, 430-32.
61. Ibid.
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63. Deng Xiaoping, "Emancipate the Mind, Seek Truth from Facts and Unite as One in Looking to the Future."
64. Meisner, *Mao's China and After*, 470.
65. For grains, quota price increased by 20 percent and above-quota price increased by 50 percent. See Terry Sicular, "Agricultural Planning and Pricing in the Post-Mao Period," *China Quarterly* 116 (1988): 671-705.
66. Jiang Zilong, "Qiao Became the New Director," in the *Renmin wenxue* anthology, *Short Novel Awards of 1979* (Shanghai: Shanghai wenyi chubanshe, 1979) (in Chinese).
67. Jiang Zilong, "Pride and Sorrow: A Recollection of an Old Worker," *Tong zhou gong jin*, no. 8 (2010): 14-17 (in Chinese).
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70. Meisner, *Mao's China and After*, 470.
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# Violence, USA

## *The Warfare State and the Hardening of Everyday Life*

Henry A. Giroux

Since 9/11, the war on terror and the campaign for homeland security have increasingly mimicked the tactics of the enemies they sought to crush. Violence and punishment as both a media spectacle and a bone-crushing reality have become prominent and influential forces shaping U.S. society. As the boundaries between “the realms of war and civil life have collapsed,” social relations and the public services needed to make them viable have been increasingly privatized and militarized.<sup>1</sup> The logic of profitability works its magic in channeling the public funding of warfare and organized violence into universities, market-based service providers, Hollywood cinema, cable television, and deregulated contractors. The metaphysics of war and associated forms of violence now creep into every aspect of U.S. society.

As the preferred “instrument of statecraft,” war and its intensifying production of violence crosses borders, time, space, and places.<sup>2</sup> The result is that the United States “has become a ‘culture of war’...engulfed in fear and violence [and trapped by a military metaphysics in which] homeland security matters far more than social security.”<sup>3</sup> Seemingly without any measure of self-restraint, state-sponsored violence now flows and regroups effortlessly, contaminating both foreign and domestic policies. The criticism of the military-industrial complex, along with its lobbyists and merchants of death, that was raised by President Eisenhower seems to have been relegated to the trash can of history. Instead of being disparaged as a death machine engaged in the organized production of violence, the military-industrial complex is defended as a valuable jobs program and a measure of national pride and provides a powerful fulcrum for the permanent warfare state.

It gets worse. One consequence of the permanent warfare state is evident in the recent public revelations concerning war crimes committed by U.S. government forces. These include the indiscriminate killings of Afghan

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civilians by U.S. drone aircraft; the barbaric murder of Afghan children and peasant farmers by U.S. infantrymen infamously labeled as “the Kill Team”;<sup>4</sup> disclosures concerning four U.S. marines urinating on dead Taliban fighters; and the uncovering of photographs showing “more than a dozen soldiers of the 82nd Airborne Division’s Fourth Brigade Combat Team, along with some Afghan security forces, posing with the severed hands and legs of Taliban attackers in Zabul Province in 2010.”<sup>5</sup> And, shocking even for those acquainted with standard military combat, there is the case of Army Staff Sergeant Robert Bales, who “walked off a small combat outpost in Kandahar province and slaughtered 17 villagers, most of them women and children, and later walked back to his base and turned himself in.”<sup>6</sup> Mind-numbing violence, war crimes, and indiscriminate military attacks on civilians on the part of the U.S. government are far from new and date back to infamous acts such as the air attacks on civilians in Dresden along with the atomic bombings of Hiroshima and Nagasaki during the Second World War.<sup>7</sup>

Military spokespersons are typically quick to remind the U.S. public that such practices are part of the price one pays for combat and are endemic to war itself. State violence wages its ghastly influence through a concept of permanent war, targeted assassinations, an assault on civil liberties, and the use of drone technologies that justifies the killing of innocent civilians as collateral damage. Collateral damage has also come home with a vengeance as soldiers returning from combat are killing themselves at record rates and committing mayhem—particularly sexual violence and spousal and child abuse.<sup>8</sup> After more than a decade at war, soldiers in the U.S. military are also returning home and joining the police, thus contributing to the blurring of the line between the military and law enforcement.

The history of atrocities committed by the United States in the name of war need not be repeated here, but some of these incidents have doubled in on themselves and fueled public outrage against the violence of war.<sup>9</sup> One of the most famous events was the My Lai massacre, which played a crucial role in mobilizing protests against the Vietnam War.<sup>10</sup> Even dubious appeals to national defense and honor can provide no excuse for mass killings of civilians, rapes, and other acts of destruction that completely lack any justifiable military objective. Not only does the alleged normative violence of war disguise the moral cowardice of the warmongers, it also demonizes the enemy and dehumanizes soldiers. It is this brutalizing psychology of desensitization, emotional hardness, and the freezing of moral responsibility that is particularly crucial to understand, because it grows out of a formative culture in which war, violence, and the dehumanization of others becomes routine, commonplace, and removed from any sense of ethical accountability.

It is necessary to recognize that acts of extreme violence and cruelty do not represent merely an odd or marginal and private retreat into barbarism. On



the contrary, warlike values and the social mindset they legitimate have become the primary currency of a market-driven culture that takes as its model a Darwinian shark tank in which only the strongest survive. In a neoliberal order in which vengeance and revenge seem to be the most cherished values in a "social order organized around the brute necessity of survival," violence becomes both a legitimate mediating force and one of the few remaining sources of pleasure.<sup>11</sup> At work in the new hyper-social Darwinism is a view of the Other as the enemy, an all-too-quick willingness in the name of war to embrace the dehumanization of the Other, and an all-too-easy acceptance of violence, however extreme, as routine and normalized. As many theorists have observed, the production of extreme violence in its various incarnations is now a source of profit for Hollywood moguls, mainstream news, popular culture, the corporate-controlled entertainment industry, and a major market for the defense industries.<sup>12</sup>

This pedagogy of brutalizing hardness and dehumanization is also produced and circulated in schools, boot camps, prisons, and a host of other sites that now trade in violence and punishment for commercial purposes, or for the purpose of containing populations that are viewed as synonymous with public disorder. The mall, juvenile detention facilities, many public housing projects, privately owned apartment buildings, and gated communities all embody a model of a dysfunctional sociality and have come to resemble proto-military spaces in which the culture of violence and punishment becomes the primary order of politics, fodder for entertainment, and an organizing principle for society. All of these spaces and institutions, from malls to housing projects to schools, are beginning to resemble war zones that impose needless frameworks of punishment. This is evident not only in New York City's infamous stop-and-frisk policy, but also in shopping malls that now impose weekend teen curfews, hire more security guards, employ high-tech surveillance tools, and closely police the behavior of young people. Similarly, housing projects have become militarized security zones meting out harsh punishments for drug offenders and serve as battlegrounds for the police and young people.

Even public-school reform is now justified in the dehumanizing language of national security, which increasingly legitimates the transformation of schools into adjuncts of the surveillance and police state.<sup>13</sup> The privatization and militarization of schools mutually inform each other as students are increasingly subjected to disciplinary apparatuses that limit their capacity for critical thinking while molding them into consumers, testing them into submission, stripping them of any sense of social responsibility, and convincing large numbers of poor minority students that they are better off under the jurisdiction of the criminal justice system instead of being treated as valued members of the public schools. Schools are increasingly absorbing the

culture of prisons and are aggressively being transformed into an extension of the criminal justice system.

Many public schools are being militarized to resemble prisons instead of being safe places that would enable students to learn how to be critical and engaged citizens. Rather than being treated with dignity and respect, students are increasingly treated as if they were criminals, given that they are repeatedly "photographed, fingerprinted, scanned, x-rayed, sniffed and snooped on."<sup>14</sup> The space of the school resembles a high-security prison with its metal detectors at the school entrances, drug-sniffing dogs in school corridors, and surveillance cameras in the hallways and classrooms. Student behaviors that were once considered child play are now elevated to the status of a crime. Young people who violate dress codes, engage in food fights, hug each other, doodle, and shoot spit wads are no longer reprimanded by the classroom teacher or principal; instead their behavior is criminalized. Consequently, the police are called in to remove them from the classroom, handcuff them, and put them in the back of a police car to be carted off to a police station where they languish in a holding cell. There is a kind of doubling that takes place here between the culture of punishment, on the one hand, and the feeding of profits for the security-surveillance industries, on the other.

What has emerged in the United States is a civil and political order structured around the problem of violent crime. This governing-through-crime model produces a highly authoritarian and mechanistic approach to addressing social problems that often focuses on low-income and poor minorities, promotes highly repressive policies, and places undue emphasis on personal security rather than considering the larger complex of social and structural forces that fuels violence in the first place. Far from promoting democratic values, a respect for others, and social responsibility, a governing-through-crime approach criminalizes a wide range of behaviors and in doing so often functions largely to humiliate, punish, and demonize. The abuse and damage that is being imposed on young people as a result of the ongoing militarization and criminalization of public schools defy the imagination. And the trivial nature of the behaviors that produce such egregious practices is hard to believe. A few examples will suffice:

In November 2011, a 14-year-old student in Brevard County, Florida, was suspended for hugging a female friend, an act which even the principal acknowledged as innocent. A 9-year-old in Charlotte, North Carolina, was suspended for sexual harassment after a substitute teacher overheard the child tell another student that the teacher was "cute." A 6-year-old in Georgia was arrested, handcuffed and suspended for the remainder of the school year after throwing a temper tantrum in class. A 6-year-old boy in San Francisco was accused of sexual assault following a game of tag on the playground. A 6-year-old in Indiana was arrested,



handcuffed and charged with battery after kicking a school principal. Twelve-year-old Alexa Gonzalez was arrested and handcuffed for doodling on a desk. Another student was expelled for speaking on a cell phone with his mother, to whom he hadn't spoken in a month because she was in Iraq on a military deployment. Four high school students in Detroit were arrested and handcuffed for participating in a food fight and charged with a misdemeanor with the potential for a 90-day jail sentence and a \$500 fine. A high school student in Indiana was expelled after sending a profanity-laced tweet through his Twitter account after school hours. The school had been conducting their own surveillance by tracking the tweeting habits of all students. These are not isolated incidents. In 2010, some 300,000 Texas schoolchildren received misdemeanor tickets from police officials. One 12-year-old Texas girl had the police called on her after she sprayed perfume on herself during class.<sup>15</sup>

Public spaces that should promote dialogue, thoughtfulness, and critical exchange are ruled by fear and become the ideological corollary of a state that aligns its priorities to war and munitions sales while declaring a state of emergency (under the aegis of a permanent war) as a major reference for shaping domestic policy. In addition, the media and other cultural apparatuses now produce, circulate, and validate forms of symbolic and real violence that dissolve the democratic bonds of social reciprocity. This dystopian use of violence as entertainment and spectacle is reinforced through the media's incessant appeal to the market-driven egocentric interests of the autonomous individual, a fear of the Other, and a stripped-down version of security that narrowly focuses on personal safety rather than collective security nets and social welfare. One consequence is that those who are viewed as disposable and reduced to zones of abandonment are forced "to address the reality of extreme violence...in the very heart of their everyday life."<sup>16</sup> Violence in everyday life is matched by a surge of violence in popular culture. Violence now runs through media and popular culture like an electric current. As the *New York Times* reported recently, "The top-rated show on cable TV is rife with shootings, stabbings, machete attacks and more shootings. The top drama at the box office fills theaters with the noise of automatic weapons fire. The top-selling video game in the country gives players the choice to kill or merely wound their quarry."<sup>17</sup>

Under such a warlike regime of privatization, militarism, and punishing violence, it is not surprising that the Hollywood film *The Hunger Games* has become a mega-box-office hit. The film and its success are symptomatic of a society in which violence has become the new lingua franca. It portrays a society in which the privileged classes alleviate their boredom through satiating their lust for violent entertainment, and in this case a brutalizing violence waged against children. Although a generous reading might portray the film

as a critique of class-based consumption and violence, given its portrayal of a dystopian future society so willing to sacrifice its children, in the end the film should more accurately be read as depicting the terminal point of what I have called elsewhere the "suicidal society" (a suicide pact literally ends the narrative).<sup>18</sup>

Given Hollywood's rush for ratings, the film gratuitously feeds enthralled audiences with voyeuristic images of children being killed for sport. In a very disturbing opening scene, the audience observes children killing one another within a visual framing that is as gratuitous as it is alarming. That such a film can be made for the purpose of attaining high ratings and big profits, while becoming overwhelmingly popular among young people and adults alike, says something profoundly disturbing about the cultural force of violence and the moral emptiness at work in U.S. society. This is not the type of violence that is instructive about how damaging the spectacle of violence can be. On the contrary, such representations of violence are largely gratuitous, and they create the conditions for a disturbing voyeurism while both mitigating the effects of violence and normalizing it. Of course, the meaning and relevance of *The Hunger Games* rest not simply with its production of violent imagery against children, but with the ways these images and the historical and contemporary meanings they carry are aligned and realigned with broader discourses, values, and social relations. Within this network of alignments, risk and danger combine with myth and fantasy to stoke the seductions of sadomasochistic violence, echoing the fundamental values of the fascist state in which aesthetics dissolves into pathology and a carnival of cruelty. How else to explain the emergence of superhero films that increasingly contain deep authoritarian strains, films that appear to have a deep hold on their dutifully submissive audiences. The film critic A. O. Scott has argued that films such as *Spider-Man*, *Dark Knight*, and *The Avengers* are marked by a "hectic emptiness," "bloated cynicism," and "function primarily as dutiful corporate citizens...serving private interests."<sup>19</sup> But most important, they reinforce the increasingly popular notion that "the price of entertainment is obedience."<sup>20</sup> There is more at work here than what Scott calls "imaginative decadence."<sup>21</sup> There is also the seductive lure and appeal of the authoritarian personality, which runs deep in U.S. culture and finds its emergence in the longing for hyper-masculine superheroes who merge vigilante justice with anti-democratic values.<sup>22</sup> Equally disturbing is the alignment of such films with a corporate-controlled cultural apparatus that legitimates and celebrates a passive embrace of authoritarian values, power, and mythic authoritarian figures.

Within the contemporary neoliberal theater of cruelty, war has expanded its poisonous reach and moves effortlessly within and across U.S. national boundaries. As Chris Hedges has pointed out brilliantly and passionately, war "allows us to make sense of mayhem and death" as something not to be

condemned, but to be celebrated as a matter of national honor, virtue, and heroism.<sup>23</sup> One particularly egregious example of this took place in the summer of 2012 when NBC decided to air *Stars Earn Stripes*, a reality TV show in which celebrities are matched with U.S. military personnel, including former Green Berets and Navy Seals, in carrying out simulated military training, "including helicopter drops in water and long-range weapons fire, all under the direction of retired General Wesley Clark."<sup>24</sup> The various contestants compete against each other to win prizes that are given to various armed forces, charities, and some veterans groups. NBC celebrates the show as a "fast-paced competition" and defends it as a "glorification of service" rather than a "glorification of war."<sup>25</sup> War in this rendering becomes a form of sport, amusement, and entertainment. The violence of war and the human suffering and death it produces is both sanitized and trivialized in this show. Amy Fairweather, a member of the veterans' organization Swords to Ploughshares, rightly criticized the program: "The show 'trivialized' war, whose real consequences were 'not that you were knocked out of the competition next week, the consequences are you don't get to go on with your life.'"<sup>26</sup> Nine Nobel Prize winners, including Desmond Tutu, echoed this view in a letter to NBC. They wrote:

It is our belief that this program pays homage to no one anywhere and continues and expands on an inglorious tradition of glorifying war and armed violence.... Real war is down-in-the-dirt deadly. People—military and civilians—die in ways that are anything but entertaining. Communities and societies are ripped apart in armed conflict and the aftermath can be as deadly as the war itself as simmering animosities are unleashed in horrific spirals of violence. War, whether relatively short-lived or going on for decades as in too many parts of the world, leaves deep scars that can take generations to overcome—if ever. Trying to somehow sanitize war by likening it to an athletic competition further calls into question the morality and ethics of linking the military anywhere with the entertainment industry in barely veiled efforts to make war and its multitudinous costs more palatable to the public.<sup>27</sup>

Celebrating war, spectacularized violence, and hyper-masculinity reveals more than an ethical descent into barbarism. It also makes visible a market-driven social and economic order that is driven by a financial elite who subordinate all ethical, political, and material considerations to the altar of profit-making and capital accumulation.<sup>28</sup> War takes as its aim the killing of others and legitimates violence through a morally bankrupt mindset in which just and unjust notions of violence collapse into each other, increasingly in the name of profit and the glorification of celebrity culture. Consequently, it has become increasingly difficult to determine justifiable violence and

humanitarian intervention from unjustifiable violence involving torture, massacres, and atrocities, which now operate in the liminal space and moral vacuum of legal illegalities. Even when such acts are recognized as war crimes, they are often dismissed as simply an inevitable consequence of war itself. This view was recently echoed by Leon Panetta, who, responding to the killing of civilians by U.S. Army Staff Sergeant Robert Bales, observed: "War is hell. These kinds of events and incidents are going to take place, they've taken place in any war, they're terrible events, and this is not the first of those events, and probably will not be the last."<sup>29</sup> He then made clear the central contradiction that haunts the use of machineries of war by stating: "But we cannot allow these events to undermine our strategy."<sup>30</sup> Panetta's qualification is a testament to barbarism because it means being committed to a war machine that trades in indiscriminate violence, death, and torture while ignoring the pull of conscience or ethical considerations. Hedges is right when he argues that defending such violence in the name of war is a rationale for "usually nothing more than gross human cruelty, brutality and stupidity."<sup>31</sup>

War and the organized production of violence have also become forms of governance, increasingly visible in the ongoing militarization of police departments throughout the United States. According to the Homeland Security Research Corporation, "The homeland security market for state and local agencies is projected to reach \$19.2 billion by 2014, up from \$15.8 billion in fiscal 2009."<sup>32</sup> The structure of violence is also evident in the rise of the punishing and surveillance state,<sup>33</sup> with its legions of electronic spies and ballooning prison population—now more than 2.3 million. Evidence of state-sponsored warring violence can also be found in the domestic war against "terrorists" (code for young protesters), which provides new opportunities for major defense contractors and corporations to become "more a part of our domestic lives."<sup>34</sup> Young people, particularly poor minorities of color, have already become the targets of what David Theo Goldberg calls "extraordinary power in the name of securitization... [They are viewed as] unruly populations...[who] are to be subjected to necropolitical discipline through the threat of imprisonment or death, physical or social."<sup>35</sup> The rhetoric of war is now used by politicians not only to appeal to a solitary warrior mentality in which responsibility is individualized, but also to attack women's reproductive rights, limit the voting rights of minorities, and justify the most ruthless cutting of social protections and benefits for public servants and the poor, unemployed, and sick. There is also the day-to-day effects of a hyped-up and militarized police force that in light of the subordination of individual rights to matters of individual security rarely questions the limits of their own authority. One example of the emerging police state can be found in roadside police stops in which any regard for privacy, individual rights, and human dignity appears to have been abandoned. John W. Whitehead, the director of the Rutherford Institute,



provides one disturbing but not untypical example of the police state in action. He writes:

Consider, for example, what happened to 38-year-old Angel Dobbs and her 24-year-old niece, Ashley, who were pulled over by a Texas state trooper on July 13, 2012, allegedly for flicking cigarette butts out of the car window. First, the trooper berated the women for littering on the highway. Then, insisting that he smelled marijuana, he proceeded to interrogate them and search the car. Despite the fact that both women denied smoking or possessing any marijuana, the police officer then called in a female trooper, who carried out a roadside cavity search, sticking her fingers into the older woman's anus and vagina, then performing the same procedure on the younger woman, wearing the same pair of gloves. No marijuana was found. [And in a hard to believe second example,] Leila Tarantino was allegedly subjected to two roadside strip searches in plain view of passing traffic during a routine traffic stop, while her two children—ages 1 and 4—waited inside her car. During the second strip search, presumably in an effort to ferret out drugs, a female officer “forcibly removed” a tampon from Tarantino's body. No contraband or anything illegal was found.<sup>36</sup>

The politics and pedagogy of death begins in the celebration of war and ends in the unleashing of violence on all those considered disposable on the domestic front. A survival-of-the-fittest ethic and the utter annihilation of the Other have now become normalized, saturating everything from state policy to institutional practices to the mainstream media. How else to explain the growing taste for violence in, for example, the world of professional sports, extending from professional hockey to extreme martial arts events? The debased nature of violence and punishment seeping into the U.S. cultural landscape becomes clear in the recent revelation that the New Orleans Saints professional football team was “running a ‘bounty program’ which rewarded players for inflicting injuries on opposing players.”<sup>37</sup> In what amounts to a regime of terror pandering to the thrill of the crowd and a take-no-prisoners approach to winning, a coach offered players a cash bonus for “laying hits that resulted in other athletes being carted off the field or landing on the injured player list.”<sup>38</sup>

The bodies of those considered competitors, let alone enemies, are now targeted as the war-as-politics paradigm turns the United States into a warfare state. And even as violence flows out beyond the boundaries of state-sponsored militarism and the containment of the sporting arena, citizens are increasingly enlisted to maximize their own participation and pleasure in violent acts as part of their everyday existence—even when fellow citizens become the casualties. Maximizing the pleasure of violence with its echo of fascist ideology far exceeds

the boundaries of state-sponsored militarism and violence. Violence can no longer be defined as an exclusively state function, since the market in its various economic and cultural manifestations now enacts its own violence on numerous populations no longer considered of value. Perhaps nothing signals the growing market-based savagery of the contemporary moment more than the privatized and corporate-fueled gun culture of the United States.

Gun culture now rules U.S. values and has a powerful influence in shaping domestic policies. The National Rifle Association is the emerging symbol of what the United States has come to represent, perfectly captured in T-shirts worn by its followers that brazenly display the messages "I hate welfare" and the biblical-sounding message "If any would not work neither should he eat."<sup>39</sup> The celebration of guns and violence merges in this case with a culture of cruelty, hatred, and exclusion. The National Rifle Association begins to resemble a regime of terror as politics and violence become an inseparable part of its message and the most important mediating force in shaping its identity. The relationship Americans have to guns may be complicated, but the social costs are less nuanced and certainly more deadly. In a country with "90 guns for every 100 people," it comes as no surprise, as Gary Younge points out, that "more than 85 people a day are killed with guns and more than twice that number are injured with them."<sup>40</sup> The merchants of death trade in a formative and material culture of violence that causes massive suffering and despair while detaching themselves from any sense of moral responsibility. Social costs are rarely considered, in spite of the endless trail of murders committed by the use of such weapons and largely inflicted on poor minorities and young people.

With respect to young people, "Each year, more than 20,000 children and youth under age 20 are killed or injured by firearms in the United States. The lethality of guns, as well as their easy accessibility to young people, are key reasons why firearms are the second leading cause of death among young people ages 10 to 19. Only motor vehicle accidents claim more young lives."<sup>41</sup> Violence has become not only more deadly but flexible, seeping into a range of institutions, cannibalizing democratic values, and merging crime and terror. As Jean and John Comaroff point out, under such circumstances a social order emerges that "appears ever more impossible to apprehend, violence appears ever more endemic, excessive, and transgressive, and police come, in the public imagination, to embody a nervous state under pressure."<sup>42</sup> The lethality of gun culture and the spectacle of violence are reinforced in U.S. life as public disorder becomes both a performance and an obsession. The obsession with violence is clearly reflected in advertising and other everyday venues—advertising can even "transform nightmare into desire....[Yet] violence is never just a matter of the circulation of images. Its exercise, legitimate or otherwise, tends to have decidedly tangible objectives. And effects."<sup>43</sup>



An undeniable effect of the warmongering state is the drain on public coffers. The United States has the largest military budget in the world and “in 2010–2011 accounted for 40% of national [federal government] spending.”<sup>44</sup> The Eisenhower Study Group at Brown University’s Watson Institute for International Studies estimates that the wars in Iraq and Afghanistan have cost the U.S. taxpayers between \$3.7 and \$4.4 trillion. What is more, funding such wars comes with an incalculable price in human lives and suffering. For example, the Eisenhower Study Group estimated that in these two wars there have been over 224,475 lives lost, 363,383 people wounded, and 7 million refugees and internally displaced people.<sup>45</sup> But war has another purpose, especially for neoconservatives who want to destroy the social state. By siphoning funds and public support away from much needed social programs, war, to use David Rothkopf’s phrase, “diminishes government so that it becomes too small to succeed.”<sup>46</sup>

The warfare state hastens the dismantling of the social state and its limited safety net, creating the conditions for the ultra-rich, mega-corporations, and finance capital to appropriate massive amounts of wealth, income, and power. This has resulted between 2010 and 2012 in the largest-ever increase in inequality of income and wealth in the United States.<sup>47</sup> One acute register of the growing inequality in wealth and income is provided by Michael D. Yates:

In the United States in 2007, it is estimated that the five best-paid hedge-fund managers “earned” more than all of the CEOs of the Fortune 500 corporations combined. The income of just the top three hedge-fund managers (James Simon, John Paulson, and George Soros) taken together was \$9 billion dollars in 2007.... Pittsburgh hedge-fund manager David Tepper made four billion dollars.... If we were to suppose that Mr. Tepper worked 2,000 hours in 2009 (fifty weeks at forty hours per week), he took in \$2,000,000 per hour and \$30,000 a minute.... Others are not so fortunate. In 2010, more than 7 million people had incomes less than 50 percent of the official poverty level of income, an amount equal to \$11,245, which in hourly terms (2,000 hours of work per year) is \$5.62. At this rate, it would take someone nearly three years to earn what Tepper got each minute. About one-quarter of all jobs in the United States pay an hourly wage rate that would not support a family of four at the official poverty level of income.<sup>48</sup>

Structural inequalities do more than distribute wealth and power upward to the privileged few and impose massive hardships on the poorest members of society. They also generate forms of collective violence accentuated by high levels of uncertainty and anxiety, all of which, as Michelle Brown points out, “makes recourse to punishment and exclusion highly seductive possibilities.”<sup>49</sup>

The merging of the punishing and financial state is partly legitimated through the normalization of risk, insecurity, and fear in which individuals not only have no way of knowing their fate, but also have to bear the consequences of being left adrift by neoliberal capitalism.

Increasingly, institutions such as schools, prisons, detention centers, and our major economic institutions are being organized for the production of violence. Rather than promote democratic values and a respect for others or embrace civic values, they often function largely to humiliate, punish, and demonize any vestige of social responsibility. Our political system is now run by a financial oligarchy that is comparable to what Alain Badiou calls a "regime of gangsters."<sup>50</sup> And as he rightly argues, the message we get from the apostles of casino capitalism carries with it another form of social violence:

Privatize everything. Abolish help for the weak, the solitary, the sick and the unemployed. Abolish all aid for everyone except the banks. Don't look after the poor; let the elderly die. Reduce the wages of the poor, but reduce the taxes on the rich. Make everyone work until they are ninety. Only teach mathematics to traders, reading to big property-owners and history to on-duty ideologues. And the execution of these commands will in fact ruin the lives of millions of people.<sup>51</sup>

It is precisely this culture of cruelty that has spread throughout the United States that makes the larger public not merely susceptible to violence but induces it to luxuriate in its alleged pleasures. In U.S. society, the seductive power of the spectacle of violence is fed through a framework of fear, blame, and humiliation that circulates widely in popular culture. The consequence is a culture marked by increasing levels of inequality, suffering, and disposability. There is not only a "surplus of rage," but also a collapse of civility in which untold forms of violence, humiliation, and degradation proliferate. Hyper-masculinity and the spectacle of a militarized culture now dominate U.S. society—one in which civility collapses into rudeness, shouting, and unchecked anger. What is unique at this historical conjuncture in the United States is that such public expression of hatred, violence, and rage "no longer requires concealment but is comfortable in its forthrightness."<sup>52</sup> How else to explain the support by the majority of Americans for state-sanctioned torture, the public indifference to the mass incarceration of poor people of color, the silence on the part of many Americans in the face of the increasing use of police and state-sanctioned violence against peaceful Occupy Wall Street protesters, or the public silence in the face of police violence in public schools against children, even those in elementary schools? As war becomes the organizing principle of society, the ensuing effects of an intensifying culture of violence on a democratic civic culture are often deadly and invite anti-democratic tendencies that pave the

way for authoritarianism.

In addition, as the state is hijacked by the financial-military-industrial complex, the “most crucial decisions regarding national policy are not made by representatives, but by the financial and military elites.”<sup>53</sup> Such massive inequality and the suffering and political corruption it produces point to the need for critical analysis in which the separation of power and politics can be understood. This means developing terms that clarify how power becomes global even as politics continues to function largely at the national level, with the effect of reducing the state primarily to custodial, policing, and punishing functions—at least for those populations considered disposable.

The state exercises its slavish role in the form of lowering taxes for the rich, deregulating corporations, funding wars for the benefit of the defense industries, and devising other welfare services for the ultra-rich. There is no escaping the global politics of finance capital and the global network of violence it has produced. Resistance must be mobilized globally and politics restored to a level where it can make a difference in fulfilling the promises of a global democracy. But such a challenge can only take place if the political is made more pedagogical and matters of education take center stage in the struggle for desires, subjectivities, and social relations that refuse the normalizing of violence as a source of gratification, entertainment, identity, and honor.

War in its expanded incarnation works in tandem with a state organized around the production of widespread violence. Such a state is necessarily divorced from public values and the formative cultures that make a democracy possible. The result is a weakened civic culture that allows violence and punishment to circulate as part of a culture of commodification, entertainment, distraction, and exclusion. In opposing the emergence of the United States as both a warfare and a punishing state, I am not appealing to a form of left moralism meant simply to mobilize outrage and condemnation. These are not unimportant registers, but they do not constitute an adequate form of resistance.

What is needed are modes of analysis that do the hard work of uncovering the effects of the merging of institutions of capital, wealth, and power, and how this merger has extended the reach of a military-industrial-carceral and academic complex, especially since the 1980s. This complex of ideological and institutional elements designed for the production of violence must be addressed by making visible its vast national and global interests and militarized networks, as indicated by the fact that the United States has over 1,000 military bases abroad.<sup>54</sup> Equally important is the need to highlight how this military-industrial-carceral and academic complex uses punishment as a structuring force to shape national policy and everyday life.

Challenging the warfare state also has an important educational

component. C. Wright Mills was right in arguing that it is impossible to separate the violence of an authoritarian social order from the cultural apparatuses that nourish it. As Mills put it, the major cultural apparatuses not only "guide experience, they also expropriate the very chance to have an experience rightly called 'our own.'"<sup>55</sup> This narrowing of experience shorn of public values locks people into private interests and the hyper-individualized orbits in which they live. Experience itself is now privatized, instrumentalized, commodified, and increasingly militarized. Social responsibility gives way to organized infantilization and a flight from responsibility.

Crucial here is the need to develop new cultural and political vocabularies that can foster an engaged mode of citizenship capable of naming the corporate and academic interests that support the warfare state and its apparatuses of violence, while simultaneously mobilizing social movements to challenge and dismantle its vast networks of power. One central pedagogical and political task in dismantling the warfare state is, therefore, the challenge of creating the cultural conditions and public spheres that would enable the U.S. public to move from being spectators of war and everyday violence to being informed and engaged citizens.

Unfortunately, major cultural apparatuses like public and higher education, which have been historically responsible for educating the public, are becoming little more than market-driven and militarized knowledge factories. In this particularly insidious role, educational institutions deprive students of the capacities that would enable them not only to assume public responsibilities, but also to actively participate in the process of governing. Without the public spheres for creating a formative culture equipped to challenge the educational, military, market, and religious fundamentalisms that dominate U.S. society, it will be virtually impossible to resist the normalization of war as a matter of domestic and foreign policy.

Any viable notion of resistance to the current authoritarian order must also address the issue of what it means pedagogically to imagine a more democratically oriented notion of knowledge, subjectivity, and agency and what it might mean to bring such notions into the public sphere. This is more than what Bernard Harcourt calls "a new grammar of political disobedience."<sup>56</sup> It is a reconfiguring of the nature and substance of the political so that matters of pedagogy become central to the very definition of what constitutes the political and the practices that make it meaningful. Critical understanding motivates transformative action, and the affective investments it demands can only be brought about by breaking into the hardwired forms of common sense that give war and state-supported violence their legitimacy. War does not have to be a permanent social relation, nor the primary organizing principle of everyday life, society, and foreign policy.

The war of all-against-all and the social Darwinian imperative to respond

positively only to one's own self-interest represent the death of politics, civic responsibility, and ethics, and set the stage for a dysfunctional democracy, if not an emergent authoritarianism. The existing neoliberal social order produces individuals who have no commitment, except to profit, disdain social responsibility, and loosen all ties to any viable notion of the public good. This regime of punishment and privatization is organized around the structuring forces of violence and militarization, which produce a surplus of fear, insecurity, and a weakened culture of civic engagement—one in which there is little room for reasoned debate, critical dialogue, and informed intellectual exchange. Patricia Clough and Craig Willse are right in arguing that we live in a society "in which the production and circulation of death functions as political and economic recovery."<sup>57</sup>

The United States understood as a warfare state prompts a new urgency for a collective politics and a social movement capable of negating the current regimes of political and economic power, while imagining a different and more democratic social order. Until the ideological and structural foundations of violence that are pushing U.S. society over the abyss are addressed, the current warfare state will be transformed into a full-blown authoritarian state that will shut down any vestige of democratic values, social relations, and public spheres. At the very least, the U.S. public owes it to its children and future generations, if not the future of democracy itself, to make visible and dismantle this machinery of violence while also reclaiming the spirit of a future that works for life rather than death—the future of the current authoritarianism, however dressed up they appear in the spectacles of consumerism and celebrity culture. It is time for educators, unions, young people, liberals, religious organizations, and other groups to connect the dots, educate themselves, and develop powerful social movements that can restructure the fundamental values and social relations of democracy while establishing the institutions and formative cultures that make it possible. Stanley Aronowitz is right in arguing that:

the system survives on the eclipse of the radical imagination, the absence of a viable political opposition with roots in the general population, and the conformity of its intellectuals who, to a large extent, are subjugated by their secure berths in the academy [and though] we can take some solace in 2011, the year of the protester...it would be premature to predict that decades of retreat, defeat and silence can be reversed overnight without a commitment to what may be termed "a long march" through the institutions, the workplaces and the streets of the capitalist metropolises.<sup>58</sup>

The current protests among young people, workers, the unemployed, students, and others are making clear that this is not—indeed, *cannot be*—only a short-term project for reform, but must constitute a political and social

movement of sustained growth, accompanied by the reclaiming of public spaces, the progressive use of digital technologies, the development of democratic public spheres, new modes of education, and the safeguarding of places where democratic expression, new identities, and collective hope can be nurtured and mobilized. Without broad political and social movements standing behind and uniting the call on the part of young people for democratic transformations, any attempt at radical change will more than likely be cosmetic.

Any viable challenge to the new authoritarianism and its theater of cruelty and violence must include developing a variety of cultural discourses and sites where new modes of agency can be imagined and enacted, particularly as they work to reconfigure a new collective subject, modes of sociality, and "alternative conceptualizations of the self and its relationship to others."<sup>59</sup> Clearly, if the United States is to make a claim to democracy, it must develop a politics that views violence as a moral monstrosity and war as virulent pathology. How such a claim to politics unfolds remains to be seen. In the meantime, resistance proceeds, especially among the young people who now carry the banner of struggle against an encroaching authoritarianism that is working hard to snuff out all vestiges of democratic life.

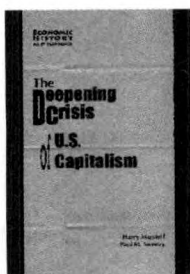
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  46. David Rothkopf, *Power, Inc.: The Epic Rivalry Between Big Business and Government—and the Reckoning That Lies Ahead* (New York: Farrar, Straus & Giroux, 2012), 258.
  47. For an excellent article on inequality, see Michael D. Yates, "The Great Inequality," *Monthly Review* 63, no. 10 (March 2012): 1–18; Paul Krugman, "America's Uneven Field," *New York Times*, January 8, 2012,

- <http://nytimes.com>; Nicholas Lemann, "Evening the Odds: Is There a Politics of Inequality?," *New Yorker*, April 23, 2012, <http://newyorker.com>. See also Charles M. Blow, "Inconvenient Income Inequality," *New York Times*, December 16, 2011, <http://nytimes.com>; David Moberg, "Anatomy of the 1%," *In These Times*, December 15, 2011, <http://inthesetimes.com>; and Hope Yen and Laura Wides-Munoz, "U.S. Poorest Poor at Record Highs," *ReaderSupportedNews*, November 4, 2011, <http://readersupportednews.org>.
48. Yates, "The Great Inequality."
  49. Michelle Brown, *The Culture of Punishment: Prison, Society and Spectacle* (New York: New York University Press, 2009), 194.
  50. Alain Badiou, *The Rebirth of History* (London: Verso, 2012), 12.
  51. *Ibid.*, 13.
  52. *Ibid.*
  53. Aronowitz, "The Winter of Our Discontent," 69.
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  57. Patricia Ticento Clough and Craig Willse, "Beyond Biopolitics: The Governance of Life and Death," in Clough and Willse, eds., *Beyond Biopolitics* (Durham, NC: Duke University Press, 2011), 3.
  58. Aronowitz, "The Winter of Our Discontent," 68.
  59. Brown, *The Culture of Punishment*, 207.



Economic History As It Happened

## The Deepening Crisis of U.S. Capitalism

by Harry Magdoff and Paul M. Sweezy

In these essays, written between 1977 and 1981, the authors assess the results of efforts taken to stabilize the economy after the epochal changes of the early 1970s, the end of capitalism's "golden age," by attempts to counteract the effects of inflation, debt dependence, speculation, and financial instability.

Not burdened by pro-capitalist bias, Sweezy and Magdoff were able to provide sharp insights into the workings and breakdowns of the system as well as analysis of causes. Such subjects as the instability of the dollar and its effects on the international monetary crisis, the growth of the mammoth debt structure, both nationally and internationally, problems of reindustrialization, low productivity, and low savings, as well as Reaganomics and "supply-side" theory, are all addressed.

The important introduction ties together the main threads running through the authors' analyses. What emerges is a perception of a deepening sickness of the economic system that bears all the symptoms of a disease that will in time prove unresponsive to traditional cures.

ISBN: 978-81-88401-25-3; 176pp.

₹120.00

CORNERSTONE PUBLICATIONS, P.O. Hijli Co-Operative, KHARAGPUR-721306,

## POETRY

# What they call acts of god

Marge Piercy

How gorgeous is the snow and deadly.  
The roads are gone under its drifts.  
Hundreds of thousands without power  
in a frozen world where the wind  
howls like a pack of coywolves.

Already hypothermia fatalities  
mount -- which is to say, huddling  
under blankets the old, the frail,  
babies shivered, stopped shivering  
and froze to death.

It costs too much to bury over-  
head lines, the power company  
officials say, who never went  
without water, without light  
never cowered in the frigid dark:

decisions made by those whom  
they do not impact, do not kill.  
*We don't believe in climate  
change and besides, the cost  
benefit ratio does benefit us.*

Drought from agribusiness stealing  
water. Lawns green in suburban  
desert. Houses washed away from  
cheaply done levees. In New Orleans  
rebuild for the rich and tourists

and let the ninth ward rot into weeds.  
Insurance companies hope you'll  
grow senile before they pay.  
Politicians sit on money to rebuild.  
And we call these natural disasters.

---

MARGE PIERCY is the author of eighteen poetry books, most recently *The Hunger Moon: New & Selected Poems, 1980–2010* from Knopf. Her most recent novel is *Sex Wars* (Harper Perennial) and PM Press has republished *Vida* and *Dance the Eagle to Sleep* with new introductions.

# The Struggle for Food Sovereignty in South Korea

Byeong-Seon Yoon, Won-Kyu Song, and Hae-jin Lee

On October 10, 2012, the Korean Women's Peasant Association (KWPA) was awarded the Food Sovereignty Prize at a ceremony held in New York City. This prize is an alternative to the World Food Prize founded by the late Norman Borlaug, "the father of the Green Revolution." While the World Food Prize emphasizes increased production through technology, the Food Sovereignty Prize champions solutions coming from those most impacted by the injustices of the global food system.<sup>1</sup>

In order to understand how the KWPA won this prestigious award—even though South Korea's agriculture contributes only around 2 percent of the nation's total GDP, while the nation's market economy is ranked fourteenth among 188 countries—the changes in South Korea's agriculture under the modern agri-food system need to be examined.

Currently, South Korea is one of the fastest industrializing countries in the world, and this has resulted in a dramatic decline in agriculture. For example, the percentage of farmers in the total population has reduced from 50 percent in the 1970s to 7 percent (or below) in the 2010s, and more than one-fourth of farmland has disappeared. Over the past four decades, farm income has increased by approximately 120 times, while debt has increased more than 1,600 times. In fact, South Korea's agriculture disintegrated rapidly in the process of industrialization, and under the influence of the global agri-food system. Since processes from the seed to the supermarket are controlled by the corporate food system, South Korea's grain self-sufficiency, which was over 70 percent during the mid-1970s, is now approximately 20 percent.

Nevertheless, in terms of the grain self-sufficiency policy, the South Korean government is attempting to establish a method to develop an overseas grain

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production base and secure a stable channel to import grains, with no intention of increasing domestic agricultural production by protecting small farmers. The government has accelerated the incorporation of South Korea's agriculture into the global agri-food system by signing the U.S.-South Korea Free Trade Agreement (FTA) and the EU-South Korea FTA. These agricultural policies, which lead to the collapse of agriculture and sacrifice farmers' interests, have spurred independent action by farmers. From this perspective, South Korea's current circumstances are similar to that faced by small farmers around the globe.

### **Global Agri-food System and South Korean Agriculture**

Since 1945, and its liberation from being a Japanese colony, South Korea's agriculture has been incorporated into a food regime centered on both the United States and global corporations. This process can be divided into three stages.

Stage One: Since the Korean War (1950–1953), a massive amount of U.S. food surpluses were imported through an aid program. South Korea was important to the United States as a critical geopolitical frontline and future customer.<sup>2</sup> The U.S. food surplus aid under Public Law 480 (the Agricultural Trade Development and Assistance Act of 1954) caused a steep fall in grain prices. As a result, farmers lost the incentive to produce and the agricultural production base began collapsing; some even set fire to agricultural products. A large number of farmers flocked to the city, resulting in the formation of slums and uncontrollable urban sprawl.

Stage Two: In the early 1970s, the United States began charging for its food surplus exports to overcome its monetary crisis. As a result, South Korea introduced energy/capital-intensive, Green Revolution agriculture. Owing to the revised U.S. food aid policy and the global food crisis, the South Korean government tentatively promoted a policy to purchase rice from farmers at rates higher than market price. In addition, the government launched a compulsory agricultural mobilization policy, the Saemaul (New Community) Movement, which was promoted using all the characteristics of the existing autocratic military regime. Farmers were forced to join the development project and their property rights were violated. In addition, traditional houses were replaced with stone tile-roofed houses under the garb of "modernization."<sup>3</sup> A pest-resistant indigenous species of rice was forced out of the market owing to low production. Instead, farmers were forced to farm a high-yield species of rice that was developed through the Green Revolution. By this time, farmers were highly dependent on agricultural chemicals and fertilizers because of the South Korean government's Green Revolution policy and introduction of an U.S.-style agriculture development model. In order to buy agricultural chemicals and fertilizers, many farmers began farming cash crops such as hot pepper and garlic. This, in turn, accelerated monoculture cropping. Rural communities

were destroyed and the long tradition of cooperative labor-sharing practices at the community level collapsed. Farming systems were then mechanized to make up for a lack of labor, leading to skyrocketing debt in farm households.

Stage Three: In the late 1970s, South Korea suffered from inflationary pressure caused by currency inflation in its overseas sectors and the pressure to import U.S. agricultural products. Hence, in the early 1980s the South Korean government emphasized a neoliberal free trade agricultural policy because of the relatively small amount of land in combination with a large population; eventually, the government concluded that the agricultural sector was incompetent. It concentrated national resources on the development of the manufacturing industry. Since indigenous technology remained insufficient and incompetent, a low-wage policy was the only option for ensuring productivity in the manufacturing sector. Laborers' work conditions were very poor because of the continuous supply of labor from rural areas and the South Korean government's suppression of the labor union movement. South Korea's agricultural problems were hence not just agricultural or farmers' problems; they were connected with social problems such as those related to labor. The low wage-based export policy developed into the free trade policy for agricultural products, while small farmers rapidly disappeared. Despite the collapse of the military dictatorship in the mid-1980s and the establishment of democracy, a comprehensive free trade policy for agricultural products has been continuously promoted, to the detriment of farmers and the progressive side. Further, with the recent bilateral agreements such as the U.S.-South Korea FTA and EU-South Korea FTA, South Korean agriculture has become completely subject to the global agri-food system, which in turn is controlled by a transnational agri-food complex. For example, South Korea has 22.6 percent of grain self-sufficiency (2011) and 56.9 percent of its domestic grain consumption (of its top three import grains: wheat, corn and soybean) is imported from the four major grain trading companies: Cargill, ADM, Bunge, and LDC.

### Searching for a Grassroots Alternative

Since the mid-1980s, South Korea's agriculture has undergone a rapid paradigm shift into the commercial agricultural system under neoliberal free trade agricultural policies. Because of a variety of problems caused by the global agri-food system such as qualitative and quantitative food crises, decrease in farmers' share of food dollars, and environmental degradation, there was an attempt to nurture an alternative grassroots movement. The alternative agri-food movements promoted in South Korea include those based around organic farming, consumer cooperatives, and, more recently, local food.

The organic farming movement was launched by the Catholic Farmers' Movement (CFM) in the late 1970s. The CFM sought alternatives to promote farmers' interests through an increase in the price of agricultural



products and solving current problems in rural areas through awareness of new values based on agriculture and community recovery. In the process, there were attempts to eliminate chemical-based farming methods and pursue a community-oriented movement. However, currently South Korea's organic farming movement is at a critical juncture. The government has promoted an environment-friendly agriculture policy to respond to these market changes, although a stable sales channel for environment-friendly agricultural products is not secured yet. This has caused an increase in the costs of farming material and equipment and reduced business feasibility.

The consumers' cooperative movement was launched in the late 1980s to further the organic farming movement after agreeing upon product value through a direct transaction with consumers. At first, the movement was promoted by the devoted efforts of a few farmers and consumers through direct transactions. Since the 1990s, there have been repeated environmental and food safety-related accidents. The high demand for safe agricultural products meant that the ground for promoting the consumer cooperative movement was well established. In particular, when the South Korean government resumed imports of U.S. beef in 2008, candlelight vigils were held in protest. Since then, more consumers have turned to purchasing safe agricultural products from consumer cooperatives; thus, the consumer cooperative movement has achieved remarkable growth.<sup>4</sup>

Finally, in the last decade or so, some progressive consumers' cooperatives attempted to propagate alternative agri-food movements that connect farmers with consumers through the local food movement and school food movement.<sup>5</sup> However, currently, the consumers' cooperatives in South Korea are at a critical juncture just as the organic farming movement is. Meanwhile, based on growing consumer interest in safe food, certain consumer cooperatives that attempted to secure a stable consumer market for a certain bracket (middle class or higher) are compelled to compete in that market.

Despite many difficulties, South Korea's alternative agri-food movement shows the possibility of becoming a popular alternative movement in which both consumers and farmers participate through submovements like local food, school food, and public catering. The cooperation between consumers' and farmers' groups, and the search for an integrated alternative agri-food movement, have enabled them to overcome conventional limits. Among these movements, KWPA and Korean Peasants League (KPL) have been vital in promoting numerous activities with the goal of food sovereignty.

### **KWPA and Food Sovereignty**

South Korea's peasant movement was in the forefront of the 1980–1990 pro-democracy initiative. From the global perspective, it is known for its role in the movement against neoliberal globalization and World Trade Organization (WTO), especially the Cancun Struggle and the Hong Kong

## THE STRUGGLE FOR FOOD SOVEREIGNTY IN SOUTH KOREA

Resistance (the demonstrations against the WTO meetings in 2003 and 2005, respectively).

South Korea's peasant movement was led by KWPA and KPL (both members of La Via Campesina, the international peasants' movement). In particular, KWPA's food sovereignty strategy shows significant progress in the search for an alternative agri-food movement.

KWPA was formed in 1989 with the goal of liberating women farmers from the patriarchal South Korean society and rural villages; it also sought to protect South Korean agriculture from U.S. pressure to open up the agricultural market and from inappropriate government policies. It is based on the women peasants' movement that commenced with the pro-democracy movement during the 1980s. Since then, KWPA has opposed the agricultural free trade policy of the 1990s and the South Korean government's decisions that adversely affect farmers' interests. Since the turn of the century, KWPA has resisted neoliberal globalization and dealt with the immense pressure to open up the agricultural product market caused by WTO negotiations and the FTA regime. In addition, it has strengthened cooperation with consumers in the school food movement.

However, the South Korean government's continued commitment to neoliberal free trade caused a decline in agriculture. Despite the long struggle and resistance, the peasants' movement began to lose its drive and disappear from people's consciousness. Thus, the KWPA realized the necessity for a further strategic initiative in addition to the resistance against the government's unfavorable agricultural policy. Through the Cancun Struggle in 2003, KWPA joined La Via Campesina in 2004 and developed the concept of systematic food sovereignty. Since then, the KWPA has revitalized the peasants' movement in a struggle for the "Realization of Food Sovereignty." Recently, this movement has developed the characteristics of a popular alliance of consumers and farmers. The organization has focused on promotions such as the Native Seed Movement and Sisters Kitchen Garden. The Native Seed Movement, promoted nationally in 2007, advocated for protection and distribution of native seed species; these seeds were identified through local inspection, and harvested and distributed through a "one-household-one-native-species" movement with a seed-gathering field. In addition, Manwon Happiness, a program in which citizens's donations are used in cultivating native seeds, while the native seeds are returned to the citizens upon harvesting, has encouraged consumers to participate in the native seed movement. As part of the Sisters' Kitchen Garden Project (Box Scheme Program) launched in 2009, fresh seasonal agricultural products are produced by the women farmers' community in a sustainable manner and then delivered to consumers. KWPA continues to communicate with consumers and promotes a joint movement through education programs and hands-on activities.

### Expansion of the Movement Through Collaboration

Recently, there has been considerable collaboration between the peasants' and citizens' movements regarding food issues. This has created favorable conditions for the expansion of the food sovereignty movement. A turning point was a set of victories in the 2010 local elections by candidates promising "free environment-friendly school food service." This new policy drew full support from the public because of the food safety issues under the global agri-food system, and the social polarization after the South Korean government's pursuance of a neoliberal economic policy.

South Korea's alternative agri-food movement groups, including KWPA and KPL, have attempted to legalize the basic right to food, which is primarily based on food sovereignty. Such an action is similar to the international trend of systematic realization of food sovereignty, with an awareness of limitations in the concept of "food security."

Food security is often stipulated as a policy goal independent of the process in which it is achieved.<sup>6</sup> However, a more complex understanding of this concept would situate it in relation to the politicization of food security, in opposition to the neoliberal design on feeding the world through the market.<sup>7</sup> Ironically, the goal of food security has been taken advantage of to support free agricultural product trade. In contrast, true food sovereignty includes the right to food and human rights, together with the means to secure food as well. The right to food and food sovereignty are inseparable from the rights to agricultural production and agricultural product resources and accessibility. According to the report on the right to food by the Food and Agriculture Organization of the United Nations, this more complex understanding of food sovereignty is found in both right to food and food right legislation in five countries: Venezuela, Mali, Bolivia, Ecuador, and Nicaragua.

For the alternative agri-food movement to legislate the shift of the food system with the goal of realizing food sovereignty in South Korea, there should be mutual consent regarding the concept of food sovereignty in order to transform it into a popular movement in which both farmers and consumers participate. Second, after recognizing the necessity of transforming the food system, significant effort is required in order to reach a social agreement on the realization of food sovereignty.<sup>8</sup> Third, it is necessary to establish a specific guideline and implementation plan for agriculture and the food system, applicable to South Korean society from the perspective of comprehensive food sovereignty. For this, KWPA has been delineating a variety of success stories in outperforming modern agricultural food systems from the standpoint of fulfilling genuine food needs. Winning the food sovereignty award is a testament to their effort. After joining La Via Campesina, KWPA has been able to accelerate the food sovereignty

## THE STRUGGLE FOR FOOD SOVEREIGNTY IN SOUTH KOREA

movement in South Korea; it now campaigns for the food sovereignty movement on a global scale.

### Notes

1. For more information, see <http://foodsovereigntyprize.org>.
2. Phillip McMichael, "The World Food Crisis in Historical Perspective," *Monthly Review* 61, no. 3 (July-August 2009): 32-47.
3. The danger of asbestos from stone tiles caused traditional houses to become popular again.
4. South Korea's consumer cooperative movement has developed along with the organic farming movement. There are many consumer cooperatives that do not handle sugar or coffee just because they are not produced in Korea, as the former have developed in cooperation with South Korea's farmers' movements. Of course, there are consumer cooperatives that provide imported organic agricultural products as well.
5. In South Korea, since 2000, there has been a movement to supply domestic agricultural products to schools first. Since the local election in 2010, numerous local governments have provided free school food services and worked hard to supply environment-friendly local food materials to schools first.
6. *Guide on Legislating for the Right to Food* (Rome: Food and Agriculture Organization of the United Nations, 2009).
7. Saturnino M. Borras, Marc Edelman, and Cristóbal Kay, eds., *Transnational Agrarian Movements Confronting Globalization* (West Sussex: Wiley-Blackwell, 2008).
8. According to a questionnaire survey on food sovereignty among South Korean people, only 19.3 percent responded that they are aware of or understand food sovereignty.

### An Appeal to the Readers of *Analytical Monthly Review*

Dear Reader,

For the last about twenty years (from September, 1993 as *Monthly Review* and then from April, 2003 as *Analytical Monthly Review*), the cover price of the Magazine remains same i.e. ₹25 per copy in spite of the continuous increase of the production cost(which includes the cost of paper, printing, binding etc) and other accessories. But now, for the sustainability of the publication, we are forced to increase the cover price to ₹30 and accordingly the subscription rates are also revised. Due to small subscribers base, we are unable to avail the benefits of scale and so we earnestly appeal to our readers to help us in building larger base of AMR readership.

*Analytical Monthly Review*

Commentary from

**Monthly Review**

May 2013, Vol.65, No.1

***An Independent Socialist Magazine Founded in 1949***

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**Harry Magdoff, Editor, 1969-2006**

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Millions of people throughout the world mourned the death of Venezuelan President Hugo Chávez on March 5, 2013. *Monthly Review* responded at the time with numerous pieces posted on *MRzine*. We would like, however, to record here briefly something of *MR*'s own special relationship to the late president, and what we think constitutes his indelible legacy to socialism in the twenty-first century. *MR*'s unique connection to Chávez was largely through the influence of István Mészáros—whose relationship to Chávez stretched back for over twenty years, and whom Chávez called “the pathfinder of 21st century socialism”—and through Marta Harnecker and Michael Lebowitz, who both served as consultants to Chávez. In a letter to *MR* editor John Bellamy Foster on March 14, 2013, Mészáros wrote:

Many thanks for sending me the *MRzine* piece reproduced from Sader's writing [Emir Sader, “Chávez, a Reader of Mészáros,” March 11, 2013, <http://mrzine.monthlyreview.org>]. I have known Sader for a good number of years but I did not see his piece on the indicated blog.

You can imagine what a great pain it is for me to think that Chávez is no longer with us. Shortly before he went to hospital for his big operation (and I had no idea how big it had to be) he made me promise that I would travel to Caracas later this year. I did indeed promise that I would go there in November, which I fully intended to do.

He was—and remains—one of the greatest historical figures of our time, and what he has achieved, not only for the people in Latin America but for the whole of humanity, is certainly irreversible, no matter how much our enemies will try to undo everything, which they will constantly do, with the United States at the forefront of all such efforts.

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I had the great privilege of a close personal relationship with him for more than twenty years, going back to the time when he was arrested, six years before his election to the Presidency. We had many hours of conversations together, on the occasion of all my travels to Venezuela. He was not only a deeply insightful revolutionary intellect—Sader is absolutely right about stressing that—but also a wonderfully warm personal friend. The pages you find about him in *Beyond Capital* [Monthly Review Press, 1995, 711–13] I wrote in 1993, when he was in jail, understanding already then what a tremendous contribution he could make to the solution of Latin America's grave problems, and thereby also to our own pressing contradictions.

I will certainly try to carry on doing all that I can in his spirit. I told him on the occasion of our last encounter that I was working on the problems of the state, and he was most encouraging, stressing the great theoretical and practical need for confronting the thorny issues that he had to face in the most tangible way in his daily work. My intention for our encounter in November was to tell him about the broad outline of what I was planning to write.

Mészáros's stress here on the "irreversibility" of Venezuela's Bolivarian socialist revolution relates to a theoretical point, stressed in both Mészáros's work and in Chávez's actions and speeches. Chávez was very clear that the only way to build such irreversibility into the revolutionary process was to root the state organically in the people. It was Venezuela's considerable successes at achieving that which has made it such a creative force in socialist transition. Already in 2002, at the time of the abortive coup against him, Chávez believed much of the necessary irreversibility had been created. He declared: "I'm certain that this process is irreversible. This movement of change, of restructuring, of revolution, will not be stopped" (quoted in *Understanding the Venezuelan Revolution: Hugo Chávez Talks to Marta Harnecker*, Monthly Review Press, 2005, 103). More than a decade followed in which the socialist revolution under Chávez moved forward, creating huge material, social, and cultural improvements for the Venezuelan population, and vastly increased the power of the people over their own lives through new socialist institutions (see Salim Lamrani, "50 Truths about Hugo Chávez and the Bolivarian Revolution," March 9, 2013, <http://venezuelanalysis.com>). The most vital revolutionary achievement in these years was the introduction of the famous "communal councils"—the general idea for which, as Chávez himself stressed on numerous occasions, was taken from Mészáros's *Beyond Capital* (758–70). For Chávez, who always knew that the time in which to effect these great changes was very short—given the counterrevolution that constantly sought to impose itself under U.S. leadership—the only defense, the whole basis of the revolution's irreversibility, resided in the authenticity of the revolutionary process through the institutionalization of "popular sovereignty [which] constitutes itself as the protagonist of power" (Chávez,



quoted in Mészáros, *Beyond Capital*, 712).

The Venezuelan Revolution has been central during the entire period of its development to the conception of socialist transition presented in *MR* and Monthly Review Press books—and particularly since Chávez's famous declaration in 2003 of the need for a "socialist revolution for the 21st century." This is evident in two special July–August issues that we published: "Socialism for the 21st Century" (2005), and "Latin America and Twenty-First Century Socialism" (2010)—a book-length issue by Marta Harnecker. Monthly Review Press has published (along with *Understanding the Venezuelan Revolution*): Eva Golinger, *Bush Versus Chávez* (2008); Mészáros's *The Structural Crisis of Capital* (2010)—a work in which Mészáros theoretically situated the Venezuelan Revolution and Chávez's role in it; three landmark books on the transition to socialism by Michael Lebowitz, inspired by the Bolivarian Revolution: *Build it Now!* (2006), *The Socialist Alternative* (2010), and *The Contradictions of "Real Socialism"* (2012); and Steve Brouwer, *Revolutionary Doctors: How Venezuela and Cuba are Changing the World's Conception of Health Care* (2011).

As, Michael Yates, director of Monthly Review Press recounted ("In Memorium: Hugo Chávez," New York University Press blog, March 11, 2013, <http://fromthesquare.org>):

In April 2009, at the Summit of the Americas meeting in Trinidad, Chávez arose from his seat, walked over to Barack Obama and handed him a copy of Eduardo Galeano's classic work of the centuries-long exploitation of Latin America by the great imperialist nations (including, of course, the United States): *Open Veins of Latin America*. He inscribed the book, "For Obama, with affection." As word of this spread around the world, the English edition of the book [published by Monthly Review Press] reached #2 on Amazon's sales charts.

In everything Chávez did he was a revolutionary, which he saw, like Che, as the expression of love for humanity. What stands out in all his actions and words was the absolute authenticity of this commitment. Nowhere was this more evident than in his conception (mentioned numerous times in the pages of this magazine) of "the elementary triangle of socialism," consisting of: (1) social ownership, (2) social production organized by workers, and (3) satisfaction of communal needs. It was his attempt to create socialism as a social-metabolic form, unifying all of society, which represented his most important advance in the theory and practice of the transition to socialism (see Michael Lebowitz, "The Path to Human Development," *Monthly Review*, February 2009).



We are pleased to note the publication of a third edition of Paul Buhle's *Marxism in the United States: A History of the American Left* (Verso, 2013). This is truly a new book, written in the aftermath of the Great Financial

## COMMENTARY

Crisis, the renewed interest in Marxism, and the Occupy and Wisconsin revolts. The expansive "Conclusion to the Third Edition" looks not only at the growing social instability and unrest of our era but also at developments in Marxist theory. The work of *MR* authors Robert W. McChesney, Fred Magdoff, and John Bellamy Foster receives detailed treatment in the context of addressing new Marxist understandings of: (1) the political economy of communications; (2) economic stagnation, financialization, and globalization; and (3) ecology and society. In the preface to this revised edition Buhle highlights the renewed centrality of class struggle—together with the increasing sophistication (in this respect) of a broad-based, popular movement that sees class as inextricably intertwined with all other struggles. "The working class," he writes, "has, at least in this [hegemonic] rhetoric, evidently ceased to exist! Yet the overwhelming class-versus-class character of the struggle against austerity, across wide parts of the world, has been clear, with every age, every race and gender represented" (xvii).

*Continued from page 64*

S. How many workers does he employ men, women and children, all included?

W. A hundred.

S. What wages do they get?

W. On an average, about a thousand francs, counting in the salaries of managers and foremen.

S. So that the hundred workers in the work receive altogether a hundred thousand francs in wages, just enough to keep them from dying of hunger, while your master pocketed a hundred thousand francs for doing nothing. Where did these two hundred thousand francs come from?

W. Not from the sky; I never saw it rain francs.

S. It is the workers in his works who have produced the hundred thousand francs they received in wages, and; besides, the hundred thousand francs profit of the master, who has employed part of that in buying new machines.

W. There is no denying that.

S. Then it is the workers who produce the money which the master devotes to buying new machines to make them work; it is the managers and foremen, wage slaves like yourself, who direct the production; where, then, does the master come in? What's he good for?

W. For exploiting labour.

S. Say rather, for robbing the labourer; that is clearer and more exact.

*Continued from inside back cover* 

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S. Then he has grown rich by loafing; that is the only way to make a fortune. Those who work get just enough to live on. But, tell me, if you and your fellow workers did not work, would not your master's machines rust, and his cotton be eaten by insects?

W. Everything in the workshop would got to wreck and ruin if we did not work.

S. Consequently, by working you are preserving the machines and raw material necessary for your labour.

W. That is true; I had never thought of that.

S. Does your master look after what goes on in his works?

W. Not much; he makes a daily round to see us at our work, but he keeps his hands in his pockets for fear of dirtying them. In the spinning-mill, where my wife and daughter work, the masters are never seen, although there are four of them; still less so in the foundry, where my son works; the masters are never seen nor ever known; not even their shadow is seen it is a Limited Liability Company that owns the works. Suppose you and I had five hundred francs saved up, we could buy a share, and become one of the masters, without ever having put, or without putting, a foot in the place.

S. Who, then, directs and superintends the work in this place belonging to the shareholding masters, and in your own shop of one master, seeing the masters are never there, or so seldom that it doesn't count?

W. Managers and foremen.

S. But if it is workers who have built the workshop, made the machines, and produced the raw materials; if it is workers who keep the machines going, and managers and foremen who direct the work, what does the master do, then?

W. Nothing but twiddle his thumbs.

S. If there were a railway from here to the moon, we could send the masters there, without a return ticket, and your weaving, your wife's spinning, your son's moulding, would go on as before.. Do you know what the profit was realised by your master last year?

W. We calculate that he must have got a hundred thousand francs.

*Continued on page 63*

*continued from inside front cover*

majority of workers feel that owners of the factories are serving some social purpose by giving them a job. But the truth remains that the owners are unnecessary and the system absurd. Those of us able to speak to the educators have a special responsibility to urge a duty to teach the simple truth. If the "social purpose" of the capitalist is continuously re-invented by the media whores, then we must as continuously expose the centuries-old lie. To that end, Paul Lafargue's 1903 "Simple Socialist Truths" can still be a helpful tool. To honor May Day, we are reproducing the same

### **Simple Socialist Truths**

**Worker.** But if there were no masters, who would give me work?

**Socialist.** That's a question I am often asked; let us examine it. In order to work, three things are required: a workshop, machines, and raw material.

**W.** Right.

**S.** Who builds the workshop?

**W.** Masons.

**S.** Who made the machines?

**W.** Engineers.

**S.** Who grew the cotton you weave, who sheared the wool your wife spins, who dug the mineral your son forges?

**W.** Husbandmen, shepherds, miners — workers like myself.

**S.** Consequently, you, your wife, and your son can only work because these various other workers have already supplied you with buildings, machinery, and raw material.

**W.** That's so; I could not weave calico without cotton and without a loom.

**S.** Well then, it is not the capitalist or master who gives you work, but the mason, the engineer, the ploughman. Do you know how your master has procured all that is necessary for your work?

**W.** He bought it.

**S.** Who gave him the money?

**W.** How do I know. His father had left him a little; to-day he is a millionaire.

**S.** Has he earned his million by working his machines and weaving his cotton?

**W.** Not very likely; it is by making us work that he gained his million.

*continued on page 64*

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ISBN: 978-81-88401-30-7, 320 pp, ₹200.00

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**CORNERSTONE PUBLICATIONS**, Ramesh Dutta Sarani,  
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West Bengal, India  
e-mail: [cornerstone\\_pub@sancharnet.in](mailto:cornerstone_pub@sancharnet.in)

Printed, published and owned by Subhas Aikat and printed at New Rainbow Laminations, 31 A, Patuatola Lane, Kolkata-700009 and published at Cornerstone Publications, Ramesh Dutta Sarani, P.O. Hijli Co-operative, KHARAGPUR-721306, Paschim Medinipur, West Bengal.

Editor: Subhas Aikat



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*cncl*  
*15/7/13*

Vol. 11, No. 3

June 2013

₹30.00

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Guerrilla  
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of Political  
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## Editorial

Events in the last weeks, most notably the battle in the Bastar district of Chhattisgarh on May 25th, reflect an intensification of the internal armed struggle between left wing forces and the repressive apparatus of the regime. A wave of exaggerated and one-sided reporting in the mass media, on occasion amounting to hysteria, signals the increasing danger of repression being extended to those voices that fail to fall into line. As we see it, at such a time it is more necessary than ever to present an account of events in a larger more reasoned perspective. At this critical moment, the following essay on page 59 by Bernard D'Mello and Gautam Navlakha is the most sensible discussion that has, so far, appeared. The essay draws on rough draft notes (by one of the authors) that were fashioned into an editorial entitled "Violence of the Oppressed", which appeared in the Economic & Political Weekly in its issue of June 8, 2013. We are pleased that the authors have permitted us to reproduce it.

*continued on inside back cover*

# The Rebirth of the Chicago Teachers Union and Possibilities for a Counter-Hegemonic Education Movement

Eric (Rico) Gutstein and Pauline Lipman

## Introduction

For nine days in September, Chicago belonged to the teachers, school paraprofessionals, and clinicians. On September 10, 2012, 26,000 members of the Chicago Teachers Union (CTU) went on strike. It was the first teachers' strike in Chicago in twenty-five years. While public and private sector unions have taken concessions and capitulated to cuts in wages, benefits, seniority rights, job protections, and much of what was won by the labor movement in the twentieth century, the CTU stood up to Mayor Rahm Emanuel, the Commercial Club of Chicago, and the billionaire hedge-fund managers who have set out to break teachers' unions and dismantle public education. Chicago was a sea of CTU red. Teachers—and their parent, student, and community supporters—picketed at schools across the city, marched through neighborhood streets, and brought downtown Chicago to a standstill with mass rallies of thousands, day after day. There was no need to defend school entrances against scabs—there were none!

For nine days, the city was a carnival of resistance—subway cars were an opportunity to show off your CTU red. Truck and bus drivers and motorists honked incessantly, not just at teachers massed at schools and on corners, but at anyone walking down the street wearing a teacher solidarity T-shirt. After seventeen years of absorbing the punishing effects of high-stakes tests and top-down accountability that have come to dominate public schools, and are destroying teaching and learning, teachers had had enough—and so had parents and students. After seventeen years of being abused and blamed for everything that is wrong with public education, Chicago teachers were the

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heroes. Their courage, militancy, and power electrified the country. They were standing up for all of us against the destruction of the public sector and the arrogant concentration of power and wealth that has defined neoliberalism in the United States. Contrary to predictions of both Chicago Public Schools (CPS) officials and the mayor, people backed the strike and the union across race, class, and neighborhood boundaries. Polls showed that two-thirds of CPS parents supported the union, despite the hardships the strike caused.

But Chicago has a specific history, and the strike was one battle in a complex and protracted war to defend and transform public education and to rebuild unions on new grounds, as part of a larger battle against neoliberalism. How then do we understand the broader significance of the strike and the potential for a broad social movement in education?

In this essay we begin by locating the significance of the strike in relation to the neoliberal assault on public education and the state's attempt to use the economic crisis further to attack the public sector and public-sector unions. Chicago, a birthplace of neoliberal restructuring of public education in the United States, is now a center of the push back against it. A critical factor is the transformation of the CTU. The article examines the interrelationship of community education struggles and the emergence of the CTU as a social movement union. We conclude with possibilities for a counterhegemonic education movement in Chicago.

We write this essay as activists and scholars. Pauline writes and teaches about the political economy and racial politics of urban education. Rico writes and teaches about critical pedagogy, education for social justice, and mathematics education policy. We are active members of the grassroots organization, Teachers for Social Justice (TSJ) in Chicago, and have participated in education organizing against school closings and education privatization since 2004. Through TSJ, we were involved in building support for the strike as part of a broad coalition of parents, community members, and educators.

### **Significance of the Strike and Emergence of Social Movement Unionism**

The significance of the Chicago teachers' strike should be viewed in relation to the global agenda to restructure public education for economic competitiveness and capital accumulation.<sup>1</sup> In the United States, this bipartisan agenda began with the Reagan administration's call to hold teachers and schools accountable for results and to run schools like businesses. Over twenty-five years, various sectors of capital and corporate education "reformers" have pushed a national system of top-down accountability driven by high-stakes standardized tests, national standards, teacher evaluation tied to test scores, mayoral control of schools, and privatization.

In a version of disaster capitalism reminiscent of post-Katrina New Orleans, the 2008 economic crisis was a golden opportunity to accelerate education privatization at all levels, weaken unions, and further streamline

## THE REBIRTH OF THE CHICAGO TEACHERS UNION

schooling for global competitiveness. This was the thrust of the Obama administration's \$4.3 billion economic recovery initiative for education, known as Race to the Top. The ensuing "fiscal crisis" of the state provides a warrant to close public schools, expand privately run charter schools, and dismantle whole school districts (e.g., Detroit), or replace them with a "portfolio" of education providers (e.g., Philadelphia). Billionaire venture philanthropists, such as the Gates and Walton Foundations, are deploying their enormous wealth to steer federal and state policy and local school districts in this direction.<sup>2</sup> At a moment when public schools face severe budget cuts, "In state after state, men [sic] with vast personal fortunes invest in campaigns to end teachers' tenure, end seniority...and clear the way for private takeovers of public schools, where teachers work with no job rights at all."<sup>3</sup> The focus is urban school districts where African-American communities have born the brunt of school closings.

This neoliberal class project exemplifies "accumulation by dispossession"<sup>4</sup>—commandeering public goods for private accumulation—whether through opening the Amazon rain forest to cattle ranching, privatizing water in Bolivia, or privatizing public housing, roads, bridges, and schools in the United States. It is in the context of this drive by investors to appropriate public goods—and the related displacement, dislocation, and robbery of the vast majority—that the global neoliberal assault on teaching, teachers, and their unions needs to be understood.<sup>5</sup> Chicago teachers stood up to this agenda. This is why the CTU strike was followed around the world, as reflected in this solidarity statement the French Teachers Union Federation sent to the CTU:

We just became acquainted of your present struggle for public education against privatization and for your rights. We would like you to know that our federation, the FNEC FP FO, completely support your claims.... We are facing in France the same issues.... Therefore we wish you full success with your struggle and the strike you're preparing with 98% of the teachers in Chicago. Education is an imprescriptible right, stop the suppression of the teachings posts, stop the dismissals, stop schools' closing, and privatization, [initiate] respect of the statuses and of the collective conventions.... Respect of all social achievements.<sup>6</sup>

The significance of the Chicago teachers' strike also has to be understood in relation to the broad attack on the public sector. Insisting that there is no alternative to address the "fiscal crisis," local governments are pressing for austerity budgets that cut deep into what remains of the social-safety net and decent public-sector jobs. City governments are cutting police and firefighters, slashing public employees' wages and benefits, closing libraries and schools, foregoing infrastructure repairs and maintenance, and selling off public infrastructure to consortia of transnational investors. This is a class strategy to shift the cost of the crises of financialization, speculative real estate investment,

and corporate profiteering run amuck onto the working class and poor—especially people of color and middle-income earners—and to support capital accumulation in the context of lack of profitable outlets for investment.<sup>7</sup>

Public-sector workers are on the front lines of these attacks.<sup>8</sup> This is why transit workers, postal carriers, and Chicago police supported the teachers' strike. Because 36 percent of public-sector workers are unionized, compared with just 7 percent of private employees,<sup>9</sup> public workers have the potential to mount an organized opposition to the savaging of public welfare. They are also strategically positioned to fight alongside communities for reinvigorated, more socially just and equitable public institutions. Teachers and other public-sector workers are ultimately responsible to the families and communities they serve, and their working conditions are tied to the funding and quality of public institutions. This calls on unions to emphasize the connection between the well-being of workers and the well-being of communities and to build principled union-community alliances.

The broad-based attacks on teachers and teachers' unions create conditions for a new teachers' union politics that breaks with the business unionism that has failed miserably to defend workers and the public interest. The U.S. labor movement might take direction and inspiration from teachers' unions internationally, particularly, the "social movement unionism" of Honduran and Oaxacan teachers who are in the forefront of national struggles for democracy and quality education, and the anti-racist, anti-neoliberal stance of the British Columbia Teachers Federation, that is allied with parents. Although the contexts are different, the principles are common. A key aspect of social movement unionism is alliances with community-based movements resisting globalized neoliberalism and fighting for social justice.<sup>10</sup>

In the U.S. context, social movement unionism is counter to the economism and top-down structures that have narrowed the focus of unions to economic struggles and limited their power to backroom negotiations and reliance on the Democratic Party. Social movement unions are allied with broader social-justice movements and are organized like social movements themselves.<sup>11</sup> Their power comes from a mobilized, politically conscious, democratically engaged membership and strong relationships with marginalized communities. In Chicago, we are seeing the birth of a social movement teachers' union that sides with parents and communities to fight for a rich, equitable, and just education for all students.

### **Chicago: A Launching Pad for Neoliberal Education Policies**

Chicago was a prototype for neoliberal education policies in the United States. The city emerged as a model in 1995 when the Illinois State Legislature gave then-Mayor Daley the power to appoint the Board of Education and choose a CEO to run the schools. The appointed board and a succession of CEOs pushed an unprecedented level of high-stakes testing, accountability, and top-down corporate management. Mayoral control was the



## THE REBIRTH OF THE CHICAGO TEACHERS UNION

lynchpin of this process.

In 2004, CPS turned toward privatization, with Renaissance 2010, a plan to close public, neighborhood schools and expand privately run charter and contract schools. The plan was initially proposed by the Commercial Club of Chicago, an organization of the city's most powerful corporate, financial, and political elites. At the same time, CPS expanded selective enrollment and specialty public schools, mainly in affluent and gentrifying neighborhoods. Renaissance 2010, trumpeted by Arne Duncan, then-CEO of Chicago Public Schools, as "the Chicago miracle," became a model for urban school districts nationally.<sup>12</sup>

By 2012, CPS had closed over one hundred schools (overwhelmingly serving low-income black and Latina/o students), about one-sixth of Chicago's schools. CPS simultaneously opened almost one hundred privately run charter schools and created thirty-five "turn-around" schools. These moves undermined local school democracy (e.g., the new schools have no Local School Councils—formal bodies for direct, substantive parent and community involvement in local school governance) and teachers' union membership (charter school teachers cannot join the CTU). In 2012, Mayor Emanuel proposed closing up to 120 more schools by fall 2013, more than all the schools closed in the past ten years.

The dismantling of public education in Chicago disproportionately impacts low-income African-American and Latina/o communities and contributes to their disinvestment and destabilization. All but two of the one-hundred-plus school actions since 2001 have directly impacted low-income students of color. In many cases schools are anchors in neighborhoods stressed by poverty, racism, dismantling of public housing, foreclosures, and social exclusion. Schools are often, to quote a parent, "the heart of the community." School closings also contribute to the disproportionate loss of experienced black teachers who know the community and families well. Overall, the percentage of black teachers in CPS declined from 40 percent in 2002 to 27 percent in 2012.<sup>13</sup>

School closings and privatization are also part of a nexus of neoliberal urban economic development policies centered on real estate and downtown development, corporate subsidies, and privatization that has restructured the city for capital accumulation and has pushed out low-income communities of color. In neighborhoods slated for gentrification, closing schools contributes to pushing out the people who live there. The schools are then refurbished and rebranded for a middle-class clientele. In disinvested neighborhoods, many closed public schools are replaced by charter schools. In general, charter schools, privately run but publicly financed, are a source of profit and their proliferation is driven by market-based ideology.

These policies have displaced thousands of students from their neighborhood schools and have not improved their education. Only 18 percent of the replacement schools were rated high performing, and nearly 40



percent are at CPS's lowest rating.<sup>14</sup> There have been spikes in violence and threats to student safety as they are forced to travel to schools outside their communities. In response, parents, students, and teachers have persistently fought the school closings since 2004.

### **Community Resistance and CTU's Social Movement Unionism**

African-American and Latina/o parents and community organizations, with support from progressive educators, lead the battles against school closings and privatization. Together, we have marched, rallied, picketed, held press conferences, slept outside on the sidewalk in front of CPS headquarters (in winter), marched to the mayor's house (600 strong), sat in, and been arrested. While we have prevented only a small number of schools from being closed, we have made public education the most contested area of neoliberal urban development in Chicago. We have built solidarity among those resisting and broad political consciousness among the public about the corporate forces behind this agenda.

The leadership of the CTU had been largely complicit with the mayor's education agenda, but in 2008 a group of teachers formed an anti-neoliberal education caucus, the Caucus of Rank and File Educators (CORE). CORE grew out of teachers fighting alongside parents and community organizations. The alliances they forged became an important component of the labor-community formations opposing education privatization in Chicago. These are the roots of the social movement unionism that the CTU is trying to build today.

By acting like the union should have, standing with parents and communities against school closings, fighting for teachers' jobs, and educating the membership on the corporate education agenda, in just two years CORE won the leadership of the third-largest teachers' union in the United States. This brought new power and visibility to the grassroots education struggles. The force of the union's institutional power and membership in every school, its reinvigorated organizing department and new research department, and its public voice strengthened the struggles of African-American and Latina/o communities to defend their schools. Its involvement in these struggles also helped to politicize a teacher membership that had been largely demobilized and ideologically disarmed by a bureaucratized union structure. After just two years in office, a relatively inexperienced caucus led Chicago's first teachers' strike in twenty-five years.

The strike itself was a tremendous victory. It defied Mayor Emanuel's attempt to shift the economic crisis onto teachers and working people in Chicago as a whole, and to weaken and make the union irrelevant. But the impact was greater than this. Teachers who had never been political activists were leading picket lines and rallies and explaining to the public the assault on teaching and public education. Although the CTU was legally limited to

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striking over wages and benefits, the issues that were most visible on teachers' handmade signs were those that also most concern parents and students: smaller classes; more art, music, nurses and social workers; an end to the tyranny of high-stakes testing and an end to education privatization. The CTU's move toward social movement unionism creates a new pole within national teachers' unions and the labor movement in the United States.

### Possibilities of a Counterhegemonic Education Movement in Chicago

A convergence of social forces and unfolding crises has created an opening for a counterhegemonic education movement in Chicago. The economic crisis, the accumulated effects of neoliberal education policies, the acceleration of school closings, the illegitimacy of mayoral control, the persistence and maturation of the education-justice struggles in black and Latina/o communities, and the rebirth of the CTU have created conditions for new alliances and new possibilities to contest the dominant education agenda. This new moment was crystallized in the Chicago teachers' strike.

There is a new basis for unity between parents and teachers. In 2010, Illinois's "fiscal crisis" prompted CPS to threaten broad cuts to music and art and increases in class sizes, even in affluent neighborhoods. This alarmed middle-class parents, a key constituency that Chicago's mayors had worked to recruit to public schools. These parents, whose neighborhoods had experienced no school closings, formed a new organization to lobby against the cuts. Then, shortly after his election in 2011, Mayor Emanuel launched a crusade for a longer school day as a quick-fix education reform. This more-of-the-same, interminable-day approach to improving schools with no additional resources angered parents across the city and galvanized some white working-class communities. As parents who had not been involved in previous education struggles began protesting Board policies, they came into contact with black and Latina/o parents fighting school closings and charter expansion.

In 2012, these groups of mainly white parents, African-American and Latina/o organizations fighting school closings, and education-justice organizations formed a cross-city campaign for an elected representative school board in Chicago. A nonbinding referendum for an elected board won 87 percent of the vote in a sampling of 13 percent of the city's approximately 2,500 electoral precincts. It is significant that the precincts spanned Chicago—economically, racially, and geographically. Many of these organizations formed the backbone of community solidarity for the teachers' strike. Today they are part of a grassroots multi-racial, multi-class community-labor alliance that includes the CTU. Although this alliance is young and has inevitable complexities, it is united in opposition to school closings and privatization and in support of a democratic, community-based process of school transformation.

Neoliberal governance of schools in Chicago seems to be losing its

legitimacy. The strike was a defeat for Mayor Emanuel who moved aggressively against the union as soon as he was elected. The credibility of top-down accountability and the Chicago Miracle has eroded. Today there are almost three times as many schools on academic probation as when the district initiated the policy in 1997, and racial gaps in academic achievement have increased.<sup>15</sup> The referendum for an elected school board prompted even the major newspapers to suggest cosmetic changes to the mayoral appointed board. With thousands of parents coming out to oppose school closings, local elected officials are compelled to side with them. The mayor and CPS officials are on the defensive for now. There is chaos in the CPS administration: five CEOs in four years, a revolving door of staff in the central administration, and an appointed, unaccountable Board of Education with diminishing credibility. Even CPS's current CEO acknowledges that distrust of CPS is rampant. The CTU strike, supported by a majority of Chicagoans, crystallized a counter pole to neoliberal education policies.

Neoliberal hegemony rests in part on the conviction that there is no alternative to the market, and there is no other way to imagine society. What is emerging in Chicago is a reaffirmation of public education with values of fairness, justice, democracy, interdependency, and the common good. These values, although not dominant, contest neoliberal ideologies and discourses of competitive consumerism, markets, and state retrenchment that govern public-education policy in the United States.<sup>16</sup> These values are also explicit in the platform of the citywide education coalition in Chicago. The CTU's proposal to transform Chicago Public Schools, *The Schools Chicago Students Deserve*, is a concrete yet visionary program toward these goals.<sup>17</sup> It confronts the education apartheid that characterizes the sedimented structural and ideological racism embedded in school policies and resource distribution. Moreover, in a radical departure from the politics of austerity and competition for scarce resources, CTU proposes funding this agenda by redistributing wealth through equitable school funding, ending corporate tax subsidies and loopholes, returning to schools the mayor's billion-dollar real-estate-development slush fund, and progressive taxation.

As we write this in April 2013, Mayor Emanuel claims that CPS has a \$1 billion budget deficit, and plans to close fifty-four schools; almost all are in black communities. This has brought the battle against school closings to a head. Many thousands of parents, teachers, students, and community members have come out to public hearings to fight for their schools. They draw inspiration from the power of the strike. As one parent recently said at a school closing hearing, "The teachers shut down this city last summer—we should be able to do that on the west side!" Whether Emanuel's appointed school board can actualize his threat, and at what cost to the city, remains to be seen.

The strike, the elected school-board campaign, and the alliances that are forming demonstrate new possibilities. The CTU strike changed the

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education landscape, locally and nationally. It showed that teachers' unions in partnership with the community can stand up to the neoliberal assault on public education. It showed the power of social movement unionism that was born, in part, out of community education struggles and that, in turn, enlivens them. It is possible to imagine a counterhegemonic formation that could push forward an agenda for education justice that might spill beyond schools to a claim for the right to the city itself. Whether we can capitalize on the outpouring of resistance and organize a sustained movement will depend on what the masses of people in Chicago and conscious organizers are able to do together in the coming period. In any case, there is a long and complex road ahead. The CTU, as it develops into a social movement union, has a critical role to play because of its political stance, institutionalization, resources, reach, discipline, and capacity to support struggles initiated from the communities in which its members teach.

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# Creating a New Model of a Social Union

## *CORE and the Chicago Teachers Union*

Robert Bartlett

The success of the Chicago Teachers Union (CTU) strike in September 2012 was a stunning rebuke to the forces of privatization and corporate education reform. The defeat of Mayor Rahm Emanuel's ambitions to deal a decisive blow against the largest union in Chicago took on national implications precisely due to continued implementation of the school reform model of closing public schools and replacing them with publicly funded but privately run charter schools. Chicago teachers and a majority of the parents of Chicago students fought back against the national basis of this campaign, fronted by Arne Duncan, the former CEO of the Chicago Public Schools (CPS) and Obama's current Secretary of Education, through national programs like Race to the Top.

Three years ago when the Caucus of Rank and File Educators (CORE) ran for leadership of the CTU, few would have predicted their ability to turn the union around from six years of do-little leadership into a force capable of taking on a nationally funded, bipartisan "education reform" movement that seemed likely to achieve its goal of weakening and possibly destroying the largest remaining union sector in the United States—public education unions. CORE and the CTU's success was not due to replacing a weak leadership with a militant one willing to strike, but rather to the creation of a layer of union members in the CTU who saw the struggle as one for what CTU president Karen Lewis calls "the soul of public education."

I would like to trace the evolution of CORE as a coherent and fundamentally different union leadership that transcended traditional trade-union politics and became the inspiration for a new vision of social unionism. This new model is needed if the union movement is to survive the corporate onslaught, much less expand to champion the needs of the increasingly impoverished working class. Secondly, the articulation of a new type of unionism capable of both mobilizing teachers and reaching out to a

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community that is underserved by underfunded schools had to be carried out both within the CTU and in the community of parents and students who make up public education in Chicago. There were significant barriers to achieving this melding of trade union demands and the needs of Chicago's students that had to be overcome during the course of organizing for the strike. A key part of how this was accomplished was by building alliances between the union and the community that involved developing a shared vision of what education should be, and pointing out where it falls short.

### **Building CORE out of the Failure of Traditional Union Reform**

CORE might not have come into existence, much less risen to lead the third-largest teachers' union local in the United States, if it were not for the failure of a previous reform group in the CTU, the Pro-Active Chicago Teachers (PACT). PACT in 2001 had ousted the local chapter of the national caucus that controls the American Federation of Teachers (AFT), the Progressive Caucus, then led by Sandra Feldman, now led by Randi Weingarten. The United Progressive Caucus (UPC) had an uninterrupted leadership of the Chicago local since the 1960s and was known as the group which had led the CTU in a series of eight strikes, including the last previous strike in 1987. After it, relations between the union and the city became routine, and the UPC settled into a complacency in the face of a steady erosion of teacher rights, exemplified by the 1995 state legislation that eliminated system-wide seniority and limited the ability of the CTU (but not other teachers' unions in Illinois) to bargain over issues other than wages and benefits. Specifically excluded from the scope of bargaining were matters like class size, staffing, contracting out, and other areas that affect both working conditions and pedagogy.

PACT was founded by Debbie Lynch, who had previously worked in the national AFT, but had left that job to return to Chicago and go back into the classroom. There had been previous opposition candidates to the UPC, coming out of caucuses built around the newspaper *Substance*, that had received as much as 30 percent of the vote, but whose support was concentrated in the high schools, which tend to be more militant, and the votes for whom were primarily protest votes. PACT capitalized on the weak UPC leadership of Tom Reese, who succeeded the more militant Jacqueline Vaughn after her death. Reese's lack of charisma and the lackluster leadership of the union in the beginning phases of the corporate agenda led to an opening that the dynamic and articulate Debbie Lynch was able to use to propel her caucus to leadership in the CTU in 2001. The next three years saw some modest improvements in how the union was run, but PACT leadership got bogged down into a consuming factional warfare. But for a bungled attempt to sell a new contract that was initially voted down by



members unhappy with the modest wage increases and higher health care premiums, the Lynch leadership might have won reelection, but instead it was narrowly defeated by the UPC in 2004.

The PACT experience was one that a number of the activists who formed CORE went through, and it provided a bitter lesson in the limitations of traditional union reform. One lesson was the severe constraints of the traditional top-down leadership model that Debbie Lynch and most union reformers follow, and the inability to transform PACT into a broad-based caucus that was independent of Lynch. Because those in PACT's leadership layer who went into the union staff were consumed by the challenges of running the union, the caucus languished and was unable to grow significantly. The radical caucus had a rather traditional role of supporting the elected leaders of their own radical caucus and did not play a role in developing rank-and-file members as leaders who had some responsibility in debating issues and making decisions as to what the policy of the caucus would be—a problem for all insurgent groupings.

A second expression of reform from above was a rhetorical opposition to some of the changes that had been imposed on the CTU, through a strategy of playing an inside game of attempting to lobby for changes, rather than mobilizing the membership. Negotiation of the contract was kept within a small group, and no one outside of the negotiating team knew what was being fought for. When Lynch came out with an agreement that had modest wage gains plus increases in health care premiums, those issues seemed more important to members than broadening the scope of permissive bargaining, which was limited by state laws. A clause in the contract that forced the Board to eliminate a non-tenured category in which teachers were kept indefinitely was an improvement, but the overselling of the contract, as the best that could be gained, allowed the UPC to campaign against it and led to its rejection. The contract fiasco led in large part to the PACT defeat.

A layer of CTU activists had finally changed what they viewed as a corrupt and weak UPC leadership, only to find that the impulse of the "reform from above" movement had been stymied by conservative forces within the union and the lack of a real ability to involve the members in changing the course of the union. People who later played key roles in the formation of CORE left PACT at this time in response to its limitations, and its overwhelming defeat in the subsequent 2007 union elections further disillusioned these activists who saw that PACT had become tainted through its missteps and its inability to transcend the domination of Debbie Lynch. The ground was ripe for a new type of union reform.

### **The Genesis of CORE**

During the six years of UPC rule from 2004 to 2010, the corporate

reform agenda began to take hold and gather steam. Corporate groups proposed a plan in 2004 to restructure Chicago schools that was adopted by Mayor Richard M. Daley and became known as Renaissance 2010. It proposed to close low-performing schools and replace them with a mixture of publicly funded and privately run charter schools and a process of “turnaround” schools where the entire staff—from principals through lunch ladies—lose their jobs and are replaced with an entirely new staff. This new staff was often predominantly white and young, with little or no teaching experience. This program was led by CEO Arne Duncan, who himself had no teaching experience, and who was appointed by a school board handpicked by the mayor without any democratic public input.

Under Renaissance 2010 the sector of privately run charters expanded, which siphoned off students from the neighborhood schools, reaching about 10 percent of the CPS student population by 2010. Teachers in some of the most impoverished neighborhoods in Chicago, with predominantly African-American staffs, began to lose their jobs as their schools were either closed or “turned around.” Jackson Potter, the person most responsible for starting CORE, related the response of the UPC to this burgeoning crisis: in a meeting of the soon to be fired staff at his school, the UPC union leader told the members to “start polishing up their resumes.” That was when he said that he knew another caucus had to be formed. Shortly thereafter, in 2008, he invited a small group of teachers he knew to a meeting to start what became CORE.

One of the early CORE activities that influenced the future direction of the caucus was the visit of British Columbia Teachers Federation (BCTF) leader Jinny Sims to speak at a forum. Her talk about how the BCTF organized province-wide to bring their issues to the public and involve their entire membership in a contract campaign that culminated in an illegal strike, and their work against standardized-testing encroachment provided a concrete model from which CORE could learn. The BCTF program of member education and involvement in the process of educating the public over their issues in a conservative province was influential in shaping the future activities of CORE. The initial group ranged from teachers in their twenties to people in their fifties, including socially conscious teachers attracted to groups like Teachers for Social Justice; former PACT members; and members of socialist groups like the International Socialist Organization, Solidarity, and the Progressive Labor Party, as well as unaffiliated radicals. This group discussed the global nature of the changes that were threatening public education and began to form a coherent vision of the scope and nature of these threats and to talk about what was needed effectively to counter this new manifestation of global capitalism. A shared vision of the source of the problem or the weaknesses of the current union leadership was not a program

or a plan, however. That remained to be developed through a series of shared experiences confronting the forces of school reform.

People who wanted to fight back against the encroaching privatization began to be attracted to CORE, which started a series of audacious actions against school closings. When a school was targeted for closing or turnaround, CORE members went to the school and met the teachers and parents who wanted to fight the closings and did whatever they could to help build a resistance in that community. This ranged from leafleting at the school to camping out overnight in front of the Board of Education in January or in front of schools with parents. Kristine Mayle, who later became the financial secretary of the CTU, met and joined CORE when they visited her school after it was put on the list to be closed.

Most teachers threatened with losing their jobs do not automatically respond by trying to fight back, but a critical layer started going to school board meetings, bringing with them parents and teachers from the affected schools, as well as community organizations that were also opposed to board policies, to testify at board meetings and become a public opposition to privatization. This involved a considerable commitment of time, since any members of the public who wanted to testify at the school board meeting (which was held during school hours) had to arrive at the board headquarters by 6 AM to be in line to sign up for their two minutes in front of the board.

This increasingly public activity was very different from traditional union oppositions, which often limit their activities to internally voiced critiques of the current leadership. In addition to bringing the issue of school closings up in monthly CTU House of Delegates meetings, CORE began to function as a dual leadership within the union. The inability of the faction-ridden UPC leadership to propose effective action opened the door for CORE to begin to mobilize other CTU members and, most importantly, to begin to forge links to community organizations that were also opposed to the shuttering of schools in their neighborhoods. In the mid-2000s, years before CORE formed, some of its leaders had developed links with community groups who were fighting gentrification and the destruction of schools in response to Chicago's Plan for Transformation in Chicago's Mid-South area. Groups like the Kenwood Oakland Community Organization (KOCO) and Action Now began collaborating with CORE and formed the basis of the broadening of ties to other community organizations. This period of organization and actions against the board policies attracted more people to CORE, as the UPC leadership continued to abstain from any consistent resistance to the privatization movement and refused to try mobilizing the membership.

This growth would most likely have continued, but an internal crisis within the UPC that led to the expulsion of union Vice President Ted Dallas over charges of financial improprieties forced CORE to consider running for

office. By the time of the union election in 2010, five groups were contending in the campaign, and no group won a majority in the first round. Interestingly, the campaign itself provided an opportunity to widen the mobilization of the union. When the UPC adopted a CORE proposal to hold a rally of union members in downtown Chicago, weeks before the election, it became a spirited and militant march of several thousand members to the Board of Education headquarters. Flatfooted and slow to respond to the changed climate in Chicago, the UPC lost to an increasingly confident CORE by a 60 percent to 40 percent vote in a runoff. However, despite CORE's vision and growing involvement in activities to defend public education, its victory was due more to the memberships' willingness to try a new path to confront the attacks on them and the demonstrated lack of capacity of the previous leadership to effectively oppose the corporate led attack.

CORE came into office with a dedicated and talented group of members and officers, but these lacked experience in running a union, which led one television commentator, Walter Jacobsen, to opine that the city leaders were waiting to "feast on the rookies." Despite their lack of experience in running a union, one key difference in the group of people now elected to office was that, instead of having a caucus built around a dominant personality, there was a group of people who had worked together to form the caucus and develop its program. This group was not focused on the struggle to gain power within the union, but to oppose the attacks on public education and the union. Jackson Potter, on the evening when the election votes were counted and it was clear that CORE had won, memorably stated that they would have to go on strike when the current contract expired—a daunting challenge in a union that had not struck in over twenty years.

The course of the last ten years of attacks on teachers and education had led to the growth of a talented and farsighted team of people leading the radical caucus and now the union. This leadership was forged through their history of open meetings, spirited debate and discussion over their plans, and was selected on the basis of both their participation in previous actions and their articulation of a program of involving the members and the community they serve in a common struggle. One symbolic representation of this was that radical caucus members would stand behind and together with their representatives in the early days of going to testify at board meetings—in order to provide a show of unity. Now the challenge of running a union determined to fight the attacks on public education began.

### **Changing the Culture of the Union**

One important symbolic change that was instituted was a reduction in the salaries of teachers who took union jobs. Traditionally, union officers and staffers were paid salaries that were far more than that of a classroom teacher.

Under CORE, staff salaries would be tied to the lane and step system of classroom teachers, and they would be paid based upon the twelve-month calendar of the union contract. This freed up a significant amount of money that could be used to hire more staff to further the organizing plans of the new leadership, and sent a signal to the membership that it was not going to be business as usual.

One of the first tasks was to change the union from a service model. The main task of the leadership and office staff in this model is to process grievances, defend the contract, and represent the membership. CORE had a different model in mind when they decided to put forward an "organizing model." It was beyond the ability of a small staff to take on the national forces that were propelling the growth of charters, led by hedge-fund billionaires, groups like the Gates and Walton Foundations, and supported by an aggressive push on the part of the Obama administration through programs like Race to the Top. A mass movement was needed to stand up to this attack. The union membership had to be fully involved in all aspects of the unfolding campaign, and able to articulate the vision of a quality education to parents and community members. It could not just respond to calls to attend a demonstration if a successful contract were to be negotiated.

Structural changes in the CTU included the creation of an organizing department that was responsible for internal organization of the membership and developing ties to the community organizations and parents who were the natural allies of teachers. The shift of resources from the grievance department to organizers who spent more of their time in the schools and community than in the office was no symbolic move; it was integral to the fight that loomed in two years when the contract expired. With 600 schools spread across the city, the small grievance department was stretched to be able to adequately cover them all.

The early days of running the union brought immediate challenges, as the Board of Education tested the union by demanding that they forego a contracted pay raise or face layoffs of members. CTU refused, and the board responded by firing 1,500 teachers. While this was challenged legally, it was also used as an opportunity to continue the mobilization that had marked the end of the election campaign. As the union responded to school closings and the firings of members, it faced a relentless propaganda campaign designed to paint teachers as the villains, legislation designed to both weaken the union and make it impossible to strike, and the election of an aggressive new mayor. It also began to form a plan to prepare for the contract expiration in two years. Along with waging defensive struggles, the new leadership had to prepare the membership for the likelihood of a strike. This involved internal organizing, broadening ties with community and other groups, and beginning to take on the forces that were leading privatization and denying the schools needed resources

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through, among other things, projecting an alternative vision of what education should be for Chicago's children.

The internal organizing had a goal of setting up action committees in every school, with committee members responsible for staying in touch with around ten other employees each; these were not just teachers but also members of other unions. Internal trainings of union delegates helped them to become more effective through workshops on contract enforcement. Assessments of the weaknesses in buildings (i.e., individual schools) gave a sense of how prepared the membership was to strike. Regional meetings were held, open to all members, to listen to the union message and express opinions. Organized phone-banking was used to talk to targeted groups within the union—describing actions taken by the board, projecting a vision of how the union could organize to win, and determining the strike readiness of the membership.

Relationships were built with other groups like Stand Up Chicago, a coalition of unions, community groups, and others, whose bold actions targeting corporations like Bank of America, the Chicago Board of Trade, and the Hyatt Hotels highlighted how money was diverted from the city budget through the use of Tax Increment Financing zones (TIF's) and given to wealthy and profitable corporations. One protest brought several hundred people to a luxury car dealership that was the recipient of TIF funds; the crowd entered the showroom and disrupted their business, demanding the return of the TIF money. Similar actions were directed at Bank of America branches throughout the city and outside the Mercantile Exchange and Hyatt hotels. These corporate targets were chosen because they were being "gifted" public tax money while schools were being starved. These actions began to raise public awareness that the supposed shortage of money was being aggravated by the siphoning off of tax revenues into a "slush fund" under the control of the mayor. This theme was continually brought up, forming a counter-narrative; it was picked up by sympathetic journalists, putting the backers of corporate reform on the defensive. These actions were not universally embraced within the CTU, but their success overcame the hesitancy of those who were uncomfortable about the propriety of the tactic, and allowed the issues to be framed more broadly than just one of an underfunded school system having to make cuts. The use of issues like these began to get at the base of the inequalities in the city, particularly between the wealthy elites and the black and brown communities that suffer the greatest lack of resources.

Something whose importance cannot be overstated was the alternative vision for education in Chicago that the union articulated in their report *The Schools Chicago's Children Deserve*. At a time when the mayor was beating the union and the public over the head with the assertion that Chicago



students got the equivalent of two or three years less time in school than students in other cities, a critique of the nature of education given the children in Chicago had to be developed to counter the simplistic claim that the amount of time in school determined the quality of instruction. The facts that over 150 schools in the mostly poor neighborhoods were without libraries, the curriculum was increasingly dominated by test prep, and the testing of students was taking large amounts of time away from learning were stressed to show how the needs of students were not being served by the current policies of the Board. In elementary schools, multiple tests are given three or four times a year, often requiring a teacher to test each individual student, eating up weeks of class time. Counterposing this testing regime to one with a rich curriculum with art, music, and physical education was another way to show how the students of Chicago were being ill-served. The report reinforced the generally positive views that parents have of their children's teachers as caring educators.

### **Winning the Support of Parents and the Strike**

What ultimately won the teachers' strike in Chicago was the support of parents. Polls taken during the strike showed that 66 percent of the parents supported the union, and anyone who spent any time on a picket line or in the massive demonstrations that happened in the afternoons of the first week of the strike knows how wearing CTU red T-shirts brought spontaneous declarations of support with people saying they "hoped you got what you wanted." One retired teacher said he had to stop wearing his red T-shirt because when he went to the store so many people talked to him it took him too long to shop!

To even get to the point of being able to strike, the union had to overcome anti-teacher legislation that required the CTU to get 75 percent of the entire membership to vote in favor of a strike, not just a majority of those voting—a requirement that Jonah Edelman, the CEO of the group Chicago teachers like to call "Stand on Children," publicly proclaimed would effectively prevent them from striking. This legislation specifically singled out Chicago for this requirement at the behest of Mayor Emanuel, who through the bill also got the power to unilaterally impose a longer school day. This put tremendous pressure on the union to prepare the membership to muster the votes and prepare the public for the prospect of a strike.

The union structured a large bargaining team, which represented the broad demographic of union membership—elementary and high schools, regular and special education teachers, Paraprofessionals and School-Related Personnel (PSRP), and other non-certified staff; there were representatives across lines of race and ethnicity, seniority, and from all caucuses within the union. This expanded the number of people who understood and debated the

issues that were being bargained over and the counterposed positions of Board, and also made it harder for political opponents of CORE to oppose the contract from the outside.

In many ways the deck was stacked against the union: there was an undemocratic 75 percent strike vote hurdle, the unilateral power of the mayor to impose a longer school day, limitations on the subjects about which the union could bargain, and a “fact-finding” process designed to rule against the union. As negotiations continued, the mayor was able to get IFT Local 1600, that represents Cook County College faculty, to agree to an early contract that specifically agreed to merit pay. The building trade-dominated Chicago Federation of Labor kept a hands-off attitude, hoping to avoid angering the mayor and jeopardizing projects that benefit the trades. All these steps were designed to isolate the union within the city so that a longer school day could be imposed without a corresponding increase in wages and a system of “merit” pay could substitute for the current “step and lane” method of salary increases.

Tactically, the union had to negotiate a complicated timeline of negotiations, a declaration of an intention to strike, a fact-finding period, and the actual strike vote. Within the union a series of carefully escalating actions were put in place, starting with a practice member poll, and culminating in a mass rally on May 23, 2012 of 7,000 teachers that greeted CTU President Karen Lewis with chants of “Strike! Strike!” A sea of red-clad teachers marched through downtown Chicago during rush hour and met with a contingent of supporters organized by Stand Up Chicago at the Board of Trade. The union members had united and were ready to do whatever was necessary to defend public education and their unions. Shortly after the May 23 rally, a date for a strike vote was set in early June. Over the course of three days, 90 percent of the entire union membership, and 98 percent of those voting, approved a strike, destroying the 75 percent threshold.

To win the support of parents, the CTU and teachers articulated demands centered on providing a “world-class” education to their students. They said that the reforms that were being pushed by the mayor and his Board of Education had more to do with maintaining a racist system of educational apartheid in which resources were denied to neighborhood schools of predominately African-American and Latino students and shifted to elite magnet schools, while charters were proposed to replace the low-performing neighborhood schools. This willingness openly to state the reality that many black and Latino parents face in underfunded and overcrowded schools, and ally with those same communities to advocate for real educational reform, ultimately was decisive in bringing the overwhelming support of the parents to the side of the union. This support was strongest in black and brown communities, but significant groups of white parents—the 19th Ward parents, Raise Your Hand, and Parents 4 Teachers—were very visible in

protesting the Board of Education and the mayor's policies and supporting teachers.

The details of the union's strategy during the strike that focused the determination of the teachers into large public manifestations and brought the issues back to the community deserves a separate treatment, along with the details of the contract in the context of the initial Board demands. This is beyond the scope of this article. However, a clear victory was won in Chicago and the movement to force concessions on teachers' unions was blunted, but not defeated. The example of the mobilization of the membership and the linking of union and community demands has clearly given beleaguered unions in other sectors and cities a model to try to emulate. This should be encouraged, but it is not a gimmick or a shortcut to return strength to a weakened union movement.

Those wanting to learn from the Chicago example should focus on the genuine alliance that is being built between unions and the community members they serve, based upon shared values and a commitment to fight together for reforms that benefit the larger community. That was possible due to the political vision and commitment of the CORE leadership, which was able to articulate the desire of CTU members to improve the education and lives of the children they teach, and spend the time building ties with the parents and organizations in the community that shared a similar desire.

If other unions want to replicate the success in Chicago, they will have to go through a transformation in how they function internally to build real union democracy. They will have to see their struggle as one focused on building a movement to transcend their own particular demands and needs—one that aspires to fight for social justice for all. Issues like the minimum wage, racism, health care, immigration, and foreclosures need to be as important to unions as the grievance procedure. The CTU remains in a fight against very powerful adversaries and is under pressure that will make it difficult to continue to develop its own internal democracy and the political involvement of its members. Its fight represents a new type of social unionism, which is not yet fully formed—but the outlines of which are there for others to build upon.



**Correction:** In John Bellamy Foster, "Marx, Kalecki, and Socialist Strategy," in the April 2013 issue of *AMR*, page 3, paragraph 2, lines 8-9 should read: "full employment profit squeeze'...." The inner quotation marks were inadvertently left out.



# Beating the Neoliberal Blame Game

## *Teacher and Parent Solidarity and the 2012 Chicago Teachers' Strike*

Rhoda Rae Gutierrez

It was Monday afternoon on the first day of the historic Chicago teachers' strike. The streets surrounding the downtown headquarters of Chicago Public Schools (CPS) were quickly filling up. Red-shirted teachers, paraprofessionals, students, parents, and community groups arrived in waves smiling, hugging, and chanting, some arm-in-arm, while others held up the now-familiar Chicago Teachers Union (CTU) signs that read, "On Strike, for Better Schools," as well as witty homemade posters such as, "If you can read this, thank a teacher."

This was the first massive demonstration of the strike. I arrived downtown a little early to meet other parents eager to show support for the incoming teachers and school workers. We certainly were not alone. Numerous parents, students, and community members turned out to stand with more than 26,000 teachers and paraprofessionals (many of whom are also parents of CPS students) who were taking a courageous stand not only for their dignity and rights, but also for a just and equitable education for their students. My sign was hastily made that morning on the sidewalk in front of my children's school where my family and I picketed with our teachers. All it said was "Parents Support Teachers," but the reaction from incoming strikers to this simple show of solidarity was incredible. Many shouted, "Thank *you* parents," "that means so much to us," and "way to go parents." Others snapped pictures, clapped, or held their fists in the air.

Soon the streets were jam-packed, overflowing with red as thousands of people continued to march toward CPS headquarters. It was at this point that I felt the power of this historic moment. Chicago teachers and paraprofessionals in solidarity with communities across the city were posing one of the most formidable challenges to neoliberal education policies that are privatizing public education, undermining the teaching profession, intensifying

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racial and economic inequities across the district, and dehumanizing the children in our public schools. These damaging policies have gained traction in part because of the neoliberal blame game in education, where corporate and political elites are writing the rules and faulting teachers and parents for the complex problems facing public schools. The power of solidarity exemplified in the Chicago Teachers Union strike has changed the rules in this neoliberal blame game.

### The Neoliberal Blame Game

To better understand how the neoliberal blame game in education works, we need to know who is doing the blaming, who is getting blamed, and why.

Speaking to an audience of two hundred business and political leaders on the day CTU delegates voted to suspend its seven-day strike, Bruce Rauner, wealthy venture capitalist and close advisor to Mayor Rahm Emanuel, issued a scathing critique of the union and revealed his interest in splitting what he called “good teachers” from the union’s ranks. He claimed, “It’s the weak teachers. It’s the lousy, ineffective, lazy teachers that—unfortunately there are a number of those—they’re the ones that the union is protecting and that’s where there’s a conflict of interest between the good teachers and the union bosses.”<sup>1</sup> Rauner has been a leading advocate for corporate education reforms and education privatization. He has called for increasing the number of charter schools and private education management organizations, tying teacher performance to student standardized test scores, and bringing in more temporary teachers from Teach for America.<sup>2</sup> Rauner’s contempt for the teachers’ union and public-sector unions in general led him to bring to Illinois the conservative education reform group Stand for Children.

Stand for Children has had a successful track record in getting states to pass laws curbing teachers’ rights and expanding education privatization.<sup>3</sup> The organization raised millions of dollars from conservative foundations that support privatization and corporate education reforms, including the Walton and Gates Foundations. When Stand for Children came to Illinois, it also amassed a treasure chest from local corporate elites, worked closely with another conservative reform group Advance Illinois, and took advantage of a rift between the powerful Speaker of the House Michael Madigan and the Illinois Federation of Teachers over pension reform to get Senate Bill 7 passed in the Illinois legislature in 2011. This legislation undermines teacher job security, puts greater restrictions on collective bargaining, and raises the bar for teachers to strike. During a forum at the Aspen Institute’s Ideas Festival in the summer of 2011, CEO Jonah Edelman bragged about Stand for Children’s role in undermining the Chicago Teachers Union’s power under SB7: “We knew that the highest threshold for any bargaining unit that had voted one way or another on a collective bargaining agreement, on a

contract vote was 48.3%. The threshold that we were arguing for was three quarters. So in effect, they wouldn't have the ability to strike."<sup>4</sup>

Throughout the teachers' strike, Democrats for Education Reform (DFER), under the name Education Reform Now, ran anti-union television advertisements<sup>5</sup> and radio spots produced by a public-relations firm with ties to Mayor Rahm Emanuel.<sup>6</sup> In multiple states, DFER has successfully advocated for charter school expansion, school turnarounds, teacher merit pay, and parent trigger laws.<sup>7</sup> The group also worked in collaboration with Stand for Children and Advance Illinois to pass SB7.<sup>8</sup> Like Stand for Children, DFER receives support from corporate elites; it was founded and bankrolled by Wall Street hedge-fund operators.

Long before Stand for Children and Democrats for Education Reform came to town, the Civic Committee of the Commercial Club of Chicago, made up of the city's corporate elite, provided the neoliberal framework for education reform in Chicago by promoting school choice and competition, corporate top-down decision-making structures, and weak teachers' unions:

The collective bargaining agreement and elements of Illinois dismissal procedure assure that few teachers are ever removed from their positions because of poor performance. Teachers' unions have adamantly resisted compensation arrangements that would reward excellence or penalize failure. As a consequence, the entire collective-bargaining apparatus has been designed less to improve teaching or student learning than to protect the interests of teachers.<sup>9</sup>

In the eyes of the corporate and political elite, "bad" teachers and their "bad" unions are not the only ones to blame for the problems of public schools. They say parents are responsible for making poor educational choices for their children. Continuing his anti-union and pro-privatization media blitz on the first day of school after the strike, Bruce Rauner was interviewed on public television (how ironic) with CTU Vice President Jesse Sharkey. When Rauner was asked for his response to the overwhelming parent support for striking teachers, Rauner dismissed this support as naiveté and portrayed public school parents as clueless about what quality public education is:

Many parents don't really understand what's going on inside their schools, as long as their child feels safe and their teacher is a pleasant person, they think things are all right. The tragedy...is hundreds of thousands of children in the Chicago Public Schools are receiving an inadequate education and their futures are being damaged because of it.<sup>10</sup>

Rauner and other corporate elites have portrayed parents who do not buy into the corporate education reform agenda as defenders of the status quo, uninterested in change.<sup>11</sup> These corporate reformers, in turn, pump significant



resources into public relations campaigns to convince supposedly unwitting parents otherwise. In addition to anti-union radio ads, before the strike, Democrats for Education Reform under the name Education Reform Now paid for robocalls to CPS households with a message from a CPS parent urging the CPS and CTU to avoid a strike.<sup>12</sup> Immediately after the strike, DFER paid for a \$1 million commercial featuring Mayor Emanuel distorting CPS wins in the contract fight.<sup>13</sup> During the strike, Stand for Children sponsored a “tele-town hall” meeting that featured parents disgruntled with the strike and allegedly did not allow callers to ask follow-up questions of the speakers.<sup>14</sup>

Although Mayor Emanuel has been fairly quiet on education matters since the teachers’ strike, he recently revealed what he thought about parents at a New York housing summit. He conveyed that parents are at the heart of what is wrong with Chicago’s schools: “The real problem is not just the education of our children.... We have parents that can’t be parents.” He claimed “the most important door a child walks through for their education is the front door of the home. If that home is not right, nothing else in the classroom can supplement it.” And just in case he wasn’t clear enough about his stance that “bad” parents make for “bad” education, he added, that there are “too many kids in homes where none of that value structure, and the pieces that come with it, get there.... What is missing here is that parental piece in helping us.”<sup>15</sup>

The financial stakes are high in education. The global education market is estimated to be worth upwards of \$4.4 trillion.<sup>16</sup> Clearly, Chicago’s corporate elite and corporate-financed education reform groups want a share of this education market, but to do so requires the destruction of the public schools, and unionized teachers, public-school students, and their parents are standing in the way. This discourse of blame obscures the economic, political, and social structures that are destroying public education and exacerbating the inequities across the district, particularly for African-American and Latino students. As activist-scholar Lois Weiner argues, it is the solidarity of teachers, communities, and social justice teachers’ unions that pose the greatest challenge to the increasing neoliberalization of public education.<sup>17</sup>

### Parent and Teacher Solidarity

Chester E. Finn, Jr., who leads the conservative education policy center Fordham Institute in Washington, DC, believed a Chicago teachers’ strike would hurt teachers nationally. He said, “It’s probably about the dumbest thing they could do from a national standpoint.... It will remind everybody that teachers’ unions are about teachers, not kids.”<sup>18</sup> This could not be further from the truth.

During the massive downtown rally on the first day of the strike, Kristina

Roque, parent of two CPS students, conveyed what many parents felt regarding the walkout. She said, "We want a fair contract for the teachers because their working conditions are our kids' learning conditions.... If the teachers are happy then our kids will be happy."<sup>19</sup> This became the parent mantra leading up to and during the strike.

Parents and caregivers see firsthand the kind of conditions under which our children have to learn and teachers have to work. We have relationships with teachers and other school personnel who understand our children's hopes, talents, and challenges at school. We see how large classroom sizes, no teaching assistants or counselors, high-stakes testing, old textbooks (or not enough of them), lack of air conditioning during hot summer months, and run-down facilities affect our children. This is why parents and communities overwhelmingly supported striking Chicago teachers and paraprofessionals—they were standing up for their rights, dignity, and respect and they were standing up for the kind of education all of our children deserve.<sup>20</sup>

Parents, students, and communities across the city demonstrated their solidarity for striking teachers in many ways. Parents from the 19th Ward on Chicago's south side tied red ribbons around trees, blanketing several blocks with puffy red bows.<sup>21</sup> Others joined their teachers on the school strike line daily, bringing food and water, and honking in support as they drove by. Some parents opened up their homes so teachers could take periodic breaks during their early morning pickets. Many marched in lockstep with teachers during the large rallies in the afternoon, wearing buttons and red shirts, holding signs that read, "You can't put children first if you put teachers last," while some students had ones that read, "If you disrespect my teachers, you disrespect me."

Even leading up to the strike, there was growing support for the teachers' struggle. Parents sent their children to school dressed in red on Fridays when teachers and paraprofessionals across the city wore union red in a show of unity. The Labor Day CTU solidarity rally drew thousands downtown to Daley Plaza, filling CTA trains with more red-shirted people buzzing with excitement. At a community event after the union issued its ten-day notice to strike, Jitu Brown, organizer with the Kenwood Oakland Community Organization, put the Chicago teachers' struggle into clear focus. He said, "We have the opportunity to be the first large city in the United States to transform education for communities that have been historically underserved—for children who had the opportunity to be anything and were intentionally underserved. This struggle that the Chicago Teachers Union is in, we're in it together."<sup>22</sup>

During the seven-day strike, I helped organize some parents from my children's elementary school to picket with our striking teachers. Before the strike announcement, I sent an email inviting parents to join my family and me on the strike line if a strike was called, but did not expect much of a response. To my surprise, I immediately received confirmation from several parents that

they would be joining us with their children. Two parents committed to chalking the sidewalk early Monday morning with messages of support for our teachers on their first day of picketing. Other parents tied red ribbons around the trees in front of the school. We made “Honk 4 Teachers” signs, which helped to generate a stream of honks and hoots from passersby throughout the week. The children made their own sign on the back of a CTU strike sign and decorated it with dozens of gold stars that one of their teachers had in her bag. Dozens of parents and children showed up to picket throughout the week. Those who couldn’t stay dropped off food and water. One parent who owns a downtown restaurant offered free “teachers plates” to any striking teachers who showed up for the duration of the work stoppage.

On Friday, day five of the strike, a framework for the contract was available and teachers were hopeful that they would be back in the classroom by Monday. That Saturday, we rallied with people from across the city and allies from neighboring states at Union Park just west of downtown. It was a joyous time, almost like a big family picnic as we all expected to be back to school on Monday. But the following day, news quickly spread that the delegates did not approve of this framework for a new contract and did not suspend the strike. Parents once supportive were losing patience, and teachers were growing weary and desperately wanted to get back into the classroom. Our union delegate reached out to parents to let us know that the delegates also wanted to go back to school, but they did not want to vote for the framework and to suspend the strike because they had not been given enough time to read the document. They brought the framework back to their respective schools so that all members could review it. This was democracy, a little messy, but democracy nonetheless.

On the following Tuesday morning, hundreds of parents and community members showed continued support for their teachers and rallied with them in front of CPS headquarters and poured into the lobby to present more than 1,000 postcards urging then-CEO Brizard to support smaller class size, rich curriculum, no test-based pay, and fully resourced schools—conditions that the teachers’ union could not legally bargain over because of restrictions imposed by state law (Senate Bill 7). CPS officials refused to come down to receive the postcards, which only fueled the people’s resolve and they chanted, “Whose Schools? Our Schools!” as they left the building to continue rallying in the streets.<sup>23</sup> That afternoon, union delegates voted to suspend the strike.

### **What’s at Stake and What’s Next**

As Chicago Teachers Union President Karen Lewis made her Sunday late-night announcement that the city’s teachers and paraprofessionals would stage their first strike in twenty-five years, my husband and I were waiting to be interviewed by a local television station to capture our live reaction. It was a

## BEATING THE NEOLIBERAL BLAME GAME

fortunate turn of events that brought us to that point. The day before, we brought our kids to strike central as a show of solidarity, and a local news reporter asked if he could interview us when the announcement was made. We never dreamed he would actually call us, but he and his cameraman showed up on our doorstep on Sunday, shot some b-roll of our kids, and waited with us late into the night.

Right after the strike announcement and live coverage of Mayor Emanuel, we were on. The reporter asked us what were going to do with our kids during the strike. We said that we were bringing our children to our school's strike line the next day to support our teachers and to teach our children what it means to stand up for yourself in a democracy. We criticized the mayor for supporting test-based pay since tying teachers' performance to high-stakes tests forces them to narrow the curriculum and teach to the test. We also trashed the mayor's assertion that class size doesn't matter and asked if the mayor would want classes of thirty-five or more for his own children.

The interview was absolutely nerve-racking, but when it was over, we were happy that we were able to send that message. As soon as the camera was turned off, the reporter got word from his producer that he "blew it." Apparently, we were supposed to portray the inconvenienced parents upset with striking teachers. The news producer wanted us to blame the teachers for this impasse in this contract fight, but we did not. We did not play by the rules of their blame game.

Since the Chicago teachers' strike, the assault on public education in our city has gone into overdrive. As I write this, CPS is preparing to close at least fifty elementary schools, all in African-American and Latino communities. If the district follows through, this will be the highest number of school closings attempted in any single year in the city and nation. The corporate media and the public relations machine of the mayor and CPS have already framed the massive opposition to the school closings as parents interested only in the status quo and self-interested teachers looking to protect their jobs. And what the recent CPS school closings process has attempted to do is pit school against school as communities scramble to defend why their school should be spared. These tactics to undermine solidarities have fallen flat; community, student, parent, and labor groups have come together to challenge this massive round of school closings, building on the vibrant community-based education justice organizing that challenged past school actions and on the power of Chicago's social justice teachers' union.

What the 2012 Chicago teachers' strike gives us is hope that solidarity can in fact pose the greatest challenge to this intensified neoliberal assault on our public schools. An attack on one public school is an attack on public education as a whole.

No more games. It's time to break the rules.

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# The Chicago Teachers' Strike and Beyond

## *Strategic Considerations*

David Kaplan

Last September's Chicago teachers' strike raises critical strategic questions for all progressives and socialists seeking to resist the relentless neoliberal austerity attacks against working people and their communities. For teachers and union activists generally, it was a long-awaited event. Finally, a teachers' union had the courage to take a stand against the corporate education agenda to privatize and dismantle urban public school systems emanating from President Obama and his Secretary of Education Arne Duncan, and being implemented today by virtually every big city mayor across the country; in this case Chicago's Rahm Emanuel, one of the nation's most powerful politicians. In its counterattack, the Chicago Teachers Union (CTU) organized and mobilized its teacher base, and actively involved parents, students, and non-profit community-based organizations. It made the improvement of education a central goal, thereby thwarting Emanuel's attempt to isolate the CTU as just another "self-interested" union. The CTU inspired militant actions across the country, most recently the teacher boycott of high-stakes standardized testing in Seattle, Washington.

At the same time, it must be frankly recognized that the CTU's contract campaign, which culminated in the seven day strike, fell short of achieving its ambitious goals at the contract table. In particular, it was unable to: significantly slow the mayor's crusade to close scores of schools; halt district funding for mostly non-union, privately run charter schools; stop the lengthening of the school day and year without adequate employee compensation; or prevent the establishment of a teacher evaluation system based to an important degree on unreliable student scores on standardized tests.

These less-than-optimal results deserve serious analysis, especially in light of the local's herculean efforts to transform CTU from a classic, conservative business union to a progressive, even radical, organizing union. Could the

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strike have achieved more if other strategic choices had been made? Were some demands simply unwinnable? While this article will not attempt decisively to answer these questions, it will suggest a strategic orientation for future teachers' union struggles that builds upon lessons learned from the Chicago strike—one that ultimately argues for thoroughgoing class-wide organizing to amass the power necessary to stand up to what is in effect a nationally coordinated campaign on the part of the corporations and the state to undermine public education. Here the point of departure must be an analysis of the strengths and limitations of the Chicago teachers' struggle.

### **CTU, CORE, and the Rank-and-File Strategy**

The Chicago teachers' strike would not have been possible were it not for the victory of the rank-and-file group, the Caucus of Rank-and-File Educators (CORE), in the 2010 CTU elections. Forged in the struggle against school closings primarily in low-income communities of color, CORE ran against a corrupt and divided old guard on a platform calling for building an organizing union, based on alliances with parents and the community, and promoting an authentic vision of educational reform that included lower class size, an enriched curriculum, wraparound social services at schools in low-income communities, and increased funding.

CORE directly counterposed its vision to the corporate-driven "deform" touted by Mayor Emanuel, who advocated using student scores on standardized tests as a weapon to evaluate and compensate teachers (merit pay), closing public schools (with the rationale that they have failed to prepare their students to succeed on the standardized tests), opening more privately run, mostly non-union charter schools, and restricting or eliminating seniority in cases of layoffs. CORE opposed privatizing and charterizing, calling instead for investing resources into existing neighborhood schools. The strike—with its mass participation by teachers, parents, and community around a visionary program for school change—was a dramatic rejection of that program. It was in a very real sense a political strike, borne of a rank-and-file caucus and movement with its own alternative program.

CORE's political evolution represents a radical departure from and an improvement on the strategies that have guided rank-and-file and left union militants since the 1970s. Most union oppositionists in the past forty years have eschewed organizing the rank and file so as to transform bureaucratic unions into instruments of struggle. On the contrary, they have accepted the structure of employer-union relations as a given—with all the legal, political, and economic constraints involved—and sought simply to win union office, whether as individuals or as a slate, to govern the union better. Not surprisingly, little was generally accomplished even when such oppositionists were victorious, for the relationship of forces between the employers and the workers remained

unchanged.

A minority of union activists were guided by a rank-and-file perspective, or, some would say, strategy, based on the following basic precepts:

The labor bureaucracy of full-time officials, from local officers on up, constitutes a separate and distinct layer between the working class and the employers, with its own distinctive socioeconomic interests to preserve the union (its apparatus, treasury, etc.) and to ultimately avoid taking risks, above all leading mass struggles against the employers that might jeopardize the institution.

While seeking to avoid confrontations with the employer so as to preserve the union as an institution, the bureaucracy privileges the strategies of top-down collective bargaining, the electoral road via the Democratic Party, and corporatist tripartite government-employer-union regulation of the economy as a substitute for organizing the rank and file.

Consequently, the rank and file can never *depend* on the union officials to initiate and carry through struggles and must therefore organize itself independently of those officials—through caucuses, shop floor newsletters, job actions, etc.—to impel the officials to fight the employer. Only when sufficient rank-and-file power has been achieved is the organized rank and file in a position to take office and transform the union, breaking it from reformist methods, eschewing the courts and government mediation, and relying instead on direct militant action and class-based alliances.

In practice, however, even this layer of activists has, for the most part, failed to fully implement this strategy, choosing instead to look for substitutes—uncritically backing “good” second-level officials or merely trying to elect better leaders. Even where the strategy has been attempted, it usually emphasized union democracy and militancy alone, neglecting the need to widen the struggle. Typically, the fight around the contract and union elections became the twin pillars of the strategy on the ground, without linking demands to the needs of the broader working class. This parochialism was also expressed in the lack of communication and coordination between rank-and-file groupings in different (or even the same) industries.

Under today's conditions of continuing economic crisis, in which the entire working class faces a multi-faceted assault on its living standards, this approach is clearly inadequate. Whether it takes the form of attacks on public workers' pensions and bargaining rights, on private sector workers' health care benefits, or education and other social programs that primarily serve working-class people, this assault must be met by broader, more political, forms of militancy to address successively the attacks that we face.

The CTU leadership is among the first union leaderships in many years to understand that the broad nature of the assault against teachers and the

communities they serve requires broader forms of struggle, in terms of demands, tactics, and support—in other words, to wage broad class struggle as opposed to narrow, sectoral struggle, to take on the employers. This was why the union focused on quality education, especially for students most in need; why it took strike action to dramatize those demands; and why it sought building alliances with parents and the community to create the power to realize those demands.

The move towards class-struggle unionism is the first, and most important, lesson of the Chicago teachers' strike. In taking this direction, the CTU strike began to change the national conversation about school reform, much as Occupy changed the national conversation about class inequality and corporate domination of politics and the economy.

### Challenges of Local Union Struggles

A second lesson of the Chicago teachers' strike is the reverse side of the same coin. Today, local union struggles—even if organized, militant, and publicly supported—will remain defensive in nature and make at best limited gains, unless they are able decisively to break from the traditional parameters of local collective bargaining. Despite nearly unanimous member participation and broad parent/community support, the results at the bargaining table in Chicago were less than dramatic, and even disappointing to many union activists, even though the contract was eventually ratified by almost 80 percent of those voting. Despite some significant concessions made to the union, the mayor's priorities remained intact—especially a longer school day and year, teacher evaluations based on student test scores, the projected closure of many schools, and the continued funding of charter schools.

Why this was so deserves serious examination. Such a critical discussion must avoid two seemingly opposite, but actually parallel, pitfalls: first, the tendency to cheer on the CTU leadership without addressing, much less evaluating, the actual challenges it faced and continues to face; and second, the tendency to attack the leadership for the limitations of the contract without taking into account the many complexities and constraints involved. As someone who followed the struggle from the "outside" (while communicating with several participants), and as someone who enthusiastically supports CORE and the CTU leadership, I raise these strategic concerns coming out of the CTU strike not so much as criticisms but as issues that need to be discussed and debated within an emerging national rank-and-file teachers' union movement. Neither uncritical cheerleading or decontextualized attacks allow us to do this.

Perhaps the best place to start is to look at the reasons for the gap between the anti-corporate, student-centered vision advanced by the CTU backed up by mass action in the streets, and the limited results at the bargaining table—results that CTU President Karen Lewis herself publicly acknowledged were

insufficient. The explanation for this striking divergence can best be found in the CTU strike strategy. It appears that the union's leadership believed it had two choices. Either it could conduct a relatively short strike over a limited, traditional set of bargaining demands, or it could conduct a more protracted, potentially riskier strike over key, but harder-to-win, non-contractual demands such as lowering class size, stopping school closings, and challenging the district's financial support of charter schools. The first would achieve less at the table, but entail less risk. The second could potentially achieve considerably more at the table, but at a much greater cost to the membership—in terms of lost pay and possible fines, as well as arrests if the district was able to get a court injunction and the union defied it—and much greater risk of defeat. This deserves more explanation.

The CTU, through its organizing, community outreach, and campaign rhetoric, had boldly taken on the corporate agenda, demanding that the district lower class size, eliminate high stakes standardized testing, stop the growth of charter schools, stop school closings, and establish wraparound services at schools. However, all these demands are legally *extra-contractual*, meaning that the district was not *required* to negotiate with the CTU on any of them. By state law, class size is only a *permissive* subject of bargaining, while the Chicago Board of Education has legal purview over the other issues as a matter of "management rights."

To its credit, the CTU made concerted efforts to push some of these extra-contractual demands, which helped flip the mayor's attempt to paint the union as only interested in salaries and benefits. Before the start of the school year and before the strike began, the local was able to negotiate the hiring of 600 enrichment teachers (i.e., art, music, and world language) as part of an agreement to lengthen the school day with only a modest increase in the working day for classroom teachers. The local also raised the issue of class size publicly, including organizing an action with a coalition of community-based organizations dramatizing overcrowded classrooms and demanding more funding for lower class sizes.

But for the CTU to have incorporated and prioritized such non-contractual demands in the run up to the strike would have exposed the union to a likely court injunction, risking fines and arrests if the local chose to defy it. Even without a campaign around class size and school closings, an injunction was likely had the strike gone beyond seven days, as Emanuel went to court charging that the local was illegally striking over topics beyond the limits of collective bargaining. No doubt, the CTU leadership was advised by its attorneys that prioritizing such "illegal" demands as small class size and stopping school closures at the bargaining table would have invited an injunction, which would have in turn required the local to have prepared the membership to violate the injunction, risking fines and jail.

Under these circumstances, the leadership evidently, at some point, made a decision not to wage an all-out campaign to force the district to negotiate on these extra-contractual issues. Its principal concern was to ensure that the membership was confident enough to be ready to strike and that an injunction could undermine that confidence. Once the strike began, it also appears that the leadership did not believe that the membership was prepared to wage such a broad and potentially dangerous fight and opted for the first option of a shorter strike around more limited demands. Four days into the strike, as its strength was crescendoing throughout Chicago, CTU President Karen Lewis publicly announced that a framework for a settlement had been reached (which in turn reduced turnout at weekend CTU mobilizations, as the ranks correctly determined that the leadership had concluded that there was little more to be won at the bargaining table). At the CTU House of Delegates meeting on Sunday, September 16, when the leadership presented the tentative agreement, the delegates, feeling rushed, opted to take two more days to discuss it with the membership before making a decision to end the strike.

The decision for a shorter strike, in turn, reinforced the tendency toward a traditional, top-down contract negotiation process that further separated the bargaining team from the organizing and mobilizing on the ground. While a broad rank-and-file negotiations watchdog group was kept apprised of developments at the bargaining table, one wonders to what extent the big bargaining team was included in the soup-to-nuts process of contract negotiations, versus just being consulted once decisions were made. The result was the usual rushed give-and-take in sequestered negotiations to reach an acceptable deal to end the strike quickly.

So it was not surprising that the contract itself was a mixed bag. On the one hand, the CTU made some important gains before and during the strike. Before the strike began, the district dropped its demand for merit pay based on student test scores, as well as its opposition to the hiring of 600 new teachers. The strike itself won a lower percentage of a teachers' evaluations to be based on test scores; the contract was reduced from four to three years with an option to open in the fourth year; salaries were increased an additional 1 percent; and Step (based on years of service) and Lane (based on continuing education) bonuses were retained and improved for veteran teachers.

The union, on the other hand, made concessions on some key issues. Most importantly, it agreed to reduce pay guarantees to laid-off teachers from two years to one year, a bitter pill to swallow with fifty-four more school closings in the works, potentially affecting over a thousand teachers and paraprofessionals. At the same time, a new Teacher Quality Pool of veteran laid-off teachers was created from which 50 percent of all new hires must come (the district was not obligated to hire any laid-off teachers before this settlement). However, the new formula for rehiring laid-off teachers gives the highest priority to those with "excellent" or "satisfactory" ratings, which, with

the new evaluation system, will increasingly be based on student test scores.

In the final analysis, the decision to build member confidence with a short and massively popular strike resulted in important, if limited, gains for the CTU. Even if the union was ultimately unable to reverse the mayor's corporate public education agenda in Chicago, it made some advances on this front as the strike inspired significant union organizing among charter school teachers in the Chicago area. At the same time, it was unable to make further gains because it lacked the capacity to risk the dangers involved in prioritizing important, but difficult to win, extra-contractual demands.

### Strategic Lessons and Tasks

The results of the Chicago teachers' strike, both its gains and limitations, raise important strategic considerations for education activists; in particular, what will be required to take on the corporate agenda for public education.

On the local level, the starting point for success is school-based rank-and-file activism and militancy, alliances with parents and community, and a progressive program of authentic school improvement.

This marriage of militancy and demands for school improvement deserves special attention. Traditional teachers' union contract fights, including strikes, have mostly been about salaries and benefits. While this narrow approach may have yielded modest results in the past, it is clearly inadequate today given the magnitude and intensity of the corporate-led attacks on public education. Teachers' unions must now be the best advocates for quality education for all and seek to build alliances with parents, communities, labor, and others on that basis. In fact, only through amassing much greater power than in the past by making the fight for better education central—and thereby eliciting the active support of parents, community, and students in the struggle—will it be possible to win gains in salaries, benefits, and working conditions.

Nevertheless, demanding improvements in the quality of education cannot substitute for organizing militant mass struggles, though this is often, implicitly if not explicitly, the course taken by the American Federation of Teachers (AFT), National Education Association (NEA), and their state affiliates. This is because militancy—in the form of strikes, other job actions, mass sit-ins, and mass demonstrations—directly confronts the powers-that-be in ways that election campaigns, media campaigns, and community meetings by themselves cannot, as necessary as they are as part of a comprehensive strategy. The CTU strike showed us that by combining militancy and demands for progressive school reform, the basis was created for a broader, more powerful struggle against corporate “deform.”

A broad school improvement program should be fought for, to the extent possible, as part of a militant full contract campaign, in alliance with other forces.

Contract campaigns are moments in a union's life when the members are most likely to be engaged and activated, and therefore potentially generate the most power. This is because contract campaigns offer the rank and file an opportunity to fight and even strike, legally in many states, over a variety of issues they are concerned about. Usually, no one issue is enough to generate that kind of activity, especially if to do so involves potentially breaking the law.

The CTU experience here is instructive. While the CTU leadership broke ground by leading with school improvement as a central focus, its decision—however justifiable—to limit its strike to traditional bargaining demands and to exclude class size, school closings, and charter schools as priority strike issues, ultimately left it to fight on these issues in isolation and without the power and leverage of a strike. The CTU's current struggle to stop school closings is only the most obvious case in point. Working with parents, it is making herculean efforts to organize and mobilize its members through demonstrations and sit-ins, but it no longer has the strike weapon at its disposal and is weaker because of it. The union must prepare its members to break the law, if necessary, to fight for its demands.

The CTU struggle, along with similar experiences in Los Angeles, has much to tell us about the need to prepare teachers and other workers to break the law, if necessary, to fight for their demands. Throughout history, employers have utilized the law and the courts to weaken and destroy workers' resistance. As the economic crisis deepens and teachers organize to defend and advance public education, school districts are prepared to use the court-issued injunctions to curb worker militancy. Emanuel was preparing for just such an injunction during the second week of the strike. In March 2009, when United Teachers Los Angeles (UTLA) prepared for a one-day work stoppage to protest massive teacher layoffs, the district was able to get a conservative judge to issue an injunction, causing the union leadership to call off the strike because the membership was not prepared to defy it.

If it takes confrontational mass actions to create the necessary counterpower effectively to challenge the corporate education agenda, then union leaderships must make plans to prepare the rank and file to defy such injunctions and accept the considerable risks involved (i.e., fines and arrests). The CTU's short strike strategy largely avoided that possibility this time around, but future struggles are likely to require it. Expand rank-and-file participation in the negotiations process.

For most unions, including teachers' unions, the bargaining process is typically top-down. A broad leadership body develops a bargaining package, leaving the top leadership to prioritize issues, manage negotiations, and come back with a tentative agreement. Negotiations are usually conducted in isolation, as the union's negotiating team, especially during a strike (if it ever comes to that) when the stakes are so high, works night and day with



management to hammer out an agreement. Often, just one or two union reps, meeting with management, hammer out the key elements of the tentative agreement. This process is generally more harmful to the union than management precisely because it isolates the union negotiators from the rank and file and the power it has created on the ground. Instead, the pressure on them is all coming from management to settle as soon as possible for as little as possible.

Convening a broader oversight group, as the CTU did, was a move in the right direction, but insufficient to counteract the conservatizing pressures at the bargaining table. Regular bargaining strategy sessions with the House of Delegates, which had the responsibility for ending the strike, might have been held not just to inform, but to work out bottom line understandings with the negotiating team to give it more direction as well as leverage against management.

In any case, the task of connecting organizing and mobilizing with a more participatory negotiations strategy continues to challenge even progressive teachers' unions. The need for fuller participation by the ranks becomes even more pressing in higher stakes struggles with the rank and file facing greater risks.

Ways must be found to integrate parent and student demands and decision-making into school improvement campaigns.

The CTU strike was considerably strengthened by the support given it by the non-profit community-based organizations that had worked with CORE and then CTU in opposing school closings in Chicago over the past few years. Even though these organizations represented a small fraction of the district's parents, their public support was key in countering the mayor's attempts to characterize the CTU as a selfish union, uninterested in the welfare of students.

At the same time, the parent and community support for the strike raises questions about how best to build authentic labor/community alliances that can maximize working-class power for future struggles. Union contract fights are not the best terrain for building egalitarian relationships with the union's existing and potential allies. In the context of a union-centered contract campaign, external allies, no matter how crucial their contribution to the struggle and the outcome of the struggle, are likely to be deprived of any influence over decisions about how to carry out the strike and what to settle for in negotiations. Traditionally, such campaigns are sectoral. Their primary aim is to get the best deal possible for a particular group of workers, who, especially if it comes to a strike, bear most of the economic burdens. Consequently, those workers, through their union, make all the decisions, especially the contract issues, tactics, and terms of settlement. Usually, as in the case of the CTU, the size and resources of the union dwarf those of their

allies. Even in CTU's contract struggle, in which the union formed respectful relationships with its parent, community, student, and labor allies, those allies did not participate in decision making even though they had a direct stake in the ultimate outcome.

Contract fights with massive parent, community, and student support have the potential of building the necessary mass power for taking on, at least in part, the corporate agenda for public education. The key then is how to build contract campaigns in which teachers, parents, students, and other school workers *share* decision-making power. If teachers are won to the perspective that they cannot win their struggles without parents and others as key allies, that opens up new possibilities for organizing an egalitarian grassroots coalition.

Here, teachers' unions need to break new ground, going beyond leadership-driven alliances with community-based organizations by promoting creative school-based opportunities for parent, student, and community participation. At school sites, the union could use its resources to recruit and train teachers, working alongside community-based organizations where they exist, to involve parents and others in school improvement efforts at the level of the school and the district. At some point, those parents could advance their own demands that could be "negotiated" by parents at the same time as the union negotiates its demands with each supporting the other as part of a unified campaign for quality schools and communities.

### **The Battle Beyond Chicago**

Viewed from the vantage point of the Chicago struggle, we have examined various ways in which local teachers' unions will need to fight against corporate-backed reforms. But the fact remains that a strategy confined to local struggles cannot beat back the attacks coming from state and national governments and their billionaire sponsors. Examples of these larger challenges confronting Chicago teachers include the following:

In 2010, the Illinois legislature passed a law requiring districts to use student test scores for at least 25 percent of a teacher's performance evaluation.

This meant that at best the CTU could only negotiate the minimum percentage, which it did, rather than eliminate the use of test scores altogether for evaluation purposes.

The dire financial situation facing Chicago public schools (the district faces a \$700 million deficit for the next school year) puts severe limits on CTU's ability to win a pay increase commensurate with the increased work hours embodied in school board's decision to lengthen the school year earlier in the year. The financial crisis also may have discouraged the CTU from campaigning for class-size reduction since its cost would have come out of employee compensation. Dire budgets may also force the district to forego

picking up employee pension contributions, which it has done in the past. This could further erode the already meager salary increases won in the strike.

Above all, the CTU was bucking the Obama national education agenda, which, under No Child Left Behind/Race to the Top, dangles scarce federal dollars for states and districts that agree to expand the number of charter schools and evaluate teachers based on student test scores. This agenda, begun in Chicago under now Secretary of Education Arnie Duncan and buttressed by corporate foundations and pro-charter movies, enjoys bipartisan support in Washington, D.C. and in most statehouses. No local union, including the CTU, can stand up to such a coordinated, powerful national attack alone.

To beat back these attacks requires not only a class-wide local union strategy, embracing the local working class, but an organized, class-wide national strategy that combines local, state, and national organizing to (1) resist teacher-bashing state legislation; (2) win funding for public education and other social services through progressive taxation; and (3) assist building alliances between educators, students, parents, community-based organizations, and other public-sector workers.

To accomplish these and other goals, teachers' union activists should have no illusions about the bureaucratic, conservative nature of the top leadership of the two national teachers' unions, the AFT and NEA, and that of most of their state affiliates. As states become increasingly financially strapped, due to continuing economic crisis and the success of the right wing's anti-government and anti-tax agenda, teachers' unions have been increasingly on the defensive. However, rather than organize a fight back against the corporate agenda and for authentic reform, local unions, aided and abetted by their national affiliates, have generally accepted concessions without a fight. AFT officials, in particular, have "helped" locals around the country negotiate contract agreements that permit teacher evaluations as well as "merit pay" based on student test scores. Chicago was the exception to the rule.

At the state level, both AFT and NEA affiliates have either been complicit in acceding to state legislation promoting aspects of the corporate agenda (most dramatically the immediate acceptance of pension and other cuts by the Wisconsin affiliates in the wake of the attack on collective bargaining) rather than rallying their locals to organize and mobilize for a fight. In California, the California Teachers Association (CTA), along with the Service Employees International Union (SEIU), publicly attacked the more progressive, but much smaller, California Federation of Teachers (CFT) for sponsoring a "millionaires' tax" ballot initiative, instead supporting Governor Brown's then much more regressive tax plan.

In this regard, the state and national leaderships of the AFT and NEA,

with few exceptions, are not different from the rest of the labor bureaucracy of full-time officials—from local officers on up—who are more interested in preserving the union than risking it by organizing the rank and file and leading mass struggles against the employers, who, as the crisis deepens, are hell-bent on weakening or crushing the unions. Rather than organizing, the bureaucracy continues to privilege electoral activity through the Democratic Party, legal maneuvers, and top-down negotiations to “cut a deal.”

Even teachers’ union reform leaders cannot always be counted on to do the right thing when isolated from their base. CTU President Karen Lewis unilaterally signed off, along with the Illinois state NEA and AFT affiliates, on Senate Bill 7—an anti-labor bill that makes firing teachers easier, requires evaluations rather than seniority in case of layoffs, and further restricts the right to strike for Chicago teachers.

This means that rank-and-file educators must continue to rely on their own organizations and their allies to push forward a progressive, class-struggle organizing agenda and to push union leaders to do the same without relying on them. For state and national organizing, progressive local caucuses, such as CORE in Chicago, Progressive Educators for Action (PEAC) in Los Angeles, Movement of Rank and File Educators (MORE) in New York City, as well as other grassroots organizations and individual union activists and leaders committed to bottom-up education reform, need to link up to create strategies for countering the corporate education agenda and moving that agenda within AFT and NEA. Such an agenda must include the goal of spreading campaigns, including strikes, against test-based austerity and privatization and for sharply increased funding paid for by progressive taxation to provide students with lower class sizes, health services, and a full, enriching curriculum.

## Conclusion

The struggles led by the CTU, for the first time, afford progressive and militant union activists around the country an opportunity to appreciate and critically evaluate what a social justice-oriented teachers’ union leadership has accomplished and has still to accomplish. The lessons of Chicago—the gains and the challenges—should spur radical education activists to think deeply about the many and diverse issues that we face. How can the myriad divisions within the U.S. working class based on race, gender, education, occupation, income, and so forth be overcome to build a unified fightback to defend and advance public education and other social goals? How can public education struggles be effectively linked to struggles for decent housing, health care, and full employment? What role can pedagogy and curriculum play in advancing the fight for public education? How can public education struggles unite K–12 schools with college campuses? How can public-sector workers and working-class communities win increased funding for education and other

## THE CHICAGO TEACHERS' STRIKE AND BEYOND

services? How can teachers' unions and their allies build an effective national movement and authentic alternative education program to counter the standardized testing regime and school privatization efforts?

These are all formidable but necessary theoretical and practical tasks. However, to address them successfully, we need to fully realize what we are up against. The neoliberal assault on public education is about more than privatization, humiliating teachers, and destroying teachers' unions. These neoliberal goals are themselves part of a broader, deeper, and unrelenting national bipartisan crusade by the Democratic and Republican parties, reflecting the interests and power of finance and multinational corporations, to reshape schools to meet their austerity economic objectives that accept mass unemployment and lower wages. This means that a well-educated work force is increasingly superfluous; hence, less funding for schools and other social services; closing of schools that primarily serve working-class students of color; increasingly routinized, test-based curriculum; and anti-public union legislation attacking pensions and seniority.

The systematic and national character of this agenda (led by Obama, Duncan, and Emanuel) requires a broader, national class-wide movement both to defend and improve public education and the public sector generally—one that is directly counter posed to the electoral strategy, preferred by the labor bureaucracy, of working within the Democratic Party as a substitute for organizing. To create such a movement, radicals and socialists need to further root themselves in schools, communities, and teachers' unions and work together with a vision of a democratically run public school system and a democratic society whose ultimate goal is the fullest and freest development of the human potential that all people possess.

The Chicago teachers' strike allows us to consider these and other questions in a living context. Let's take advantage of it!

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# Marketizing Schools

Doug Henwood and Liza Featherstone

*We want one class of persons to have a liberal education, and we want another class of persons, a very much larger class, of necessity, in every society, to forgo the privileges of a liberal education and fit themselves to perform specific difficult manual tasks.*

—Woodrow Wilson, then president of Princeton University

Though the U.S. ruling class is divided on some issues—how quickly to attack Iran, how much to cut Social Security and Medicare, whether homosexuals should be tolerated or treated as the spawn of Satan—they are united on one thing: the need to “reform” the public school system. “Reform” means more tests, more market mechanisms, and fewer teachers’ unions.

The agenda has deep bipartisan roots. For example, one of the foundational documents of the movement was a book written by John Chubb and Terry Moe, *Politics, Markets, and America’s Schools*, published in 1990 by the Brookings Institution.<sup>1</sup> Moe is a fellow at the Hoover Institution, a right-wing think tanks housed at Stanford University, and Chubb is a fellow at Brookings, a centrist Democrat think tank. Just as Brookings published papers in the 1970s arguing for the deregulation of airlines and trucking that were indistinguishable from those published by the conservative American Enterprise Institute—an agenda that became policy and, among other things, largely destroyed unions in both industries—Brookings and Stanford agree on this one too.

The reform agenda became federal policy early in the George W. Bush years, with the No Child Left Behind law, passed within months of his taking office. The law mandated the restructuring of U.S. public education along the lines of what partisans like to call choice and accountability. That is, parents are supposed to be offered alternatives to traditional public schools—while students, teachers, and schools are supposed to be subject to constant testing to evaluate their academic performance. Under No Child Left Behind, federal school aid to states was made contingent on improvement in average test scores.

There are many reasons to criticize the law, starting with the testing fetish.

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## MARKETIZING SCHOOLS

Since so much money now hangs on success, states have rampantly cheated in creating their tests; in many places, students have shown mysterious “progress” that is not confirmed by the federal National Assessment of Educational Progress. And it is not clear how well a focus on test performance correlates with actual educational outcomes. International comparisons show that, despite being the most test-obsessed educational system in the world, U.S. students stack up rather poorly. The starkest contrast is with Finland, which routinely scores at the top of the global league tables, but whose students face only two or three tests during their entire school careers. And, curiously, in Finland, teaching is a revered and well-paid profession; in the United States, the chartering-and-testing crowd—let’s call them “reformers”—treats them as overpaid slackers badly in need of a heavy diet of carrots and sticks.

Instead of rejecting this debased Bush legacy, the Obama administration intensified it. In 2009, the administration set up Race to the Top, in which states compete for federal grants based on their adherence to the choice and accountability agenda. Dangling billions in front of fiscally desperate states has succeeded—devotion to testing and charters is more passionate than ever.

Charter schools are public institutions that operate with considerable autonomy from traditional administrative structures. Though some are run by civil servants, many are run by foundations or private management companies, and get considerable private financial support along with public funding. Most are small, and many specialize in certain disciplines, like the arts. Some are startups, and some are converted traditional public schools. A few are crunchy-progressive, but many more are almost military in their discipline. Many are nonunion—in New York City, just 17 percent of charter school students are taught by unionized teachers, about 83 points short of the average for traditional public schools. It is a diverse group, but what unites them all is their independence from boards of education.

Education “reform” has been driven by business and business-friendly interests. Usually this gang loves what they call “metrics.” In the case of their educational agenda, however, the metrics are not really on their side, so they mostly ignore them. Let’s drill down into some data that would annoy them, if they paid attention.

A 2003 study of California charter schools by the RAND Corporation, an institution not known for its hostility to elite projects, found that charter schools produce results little different from public schools. (One interesting difference: charter schools shun students with disabilities.)<sup>2</sup> A 2005 RAND study of urban charter schools found similarly lackluster results.<sup>3</sup>

Aside from the direct effects on students of charter schools, their promoters also tout an alleged competitive effect on traditional public schools to do better. RAND found nothing of the sort.

Stanford’s Center for Research on Education Outcomes (CREDO) has



done the most extensive study of charters so far. It looked at over 2,400 charter schools in sixteen states, which account for more than two-thirds of the students at charters nationwide, and compared them to traditional public school students, making every statistical attempt to correct for demographic differences between the two populations. It found charters doing somewhat worse on average than traditional public schools: 17 percent provided superior results, 37 percent worse, and the remainder about the same.<sup>4</sup>

To charter-school boosters, education should be restructured to resemble the free market of economic theory, in which sellers of school product compete for the custom of parents, who are assumed to be capable of making well-informed choices. Market discipline will promote innovation and flexibility that will put the sclerotic education bureaucrats to shame. There is little empirical support for this grand assumption. One study by researchers from Johns Hopkins and Vanderbilt Universities looked at kids who switched from traditional public schools to public charters in Indianapolis and found that while most parents professed a desire for an improved academic environment, less than a third of the “receiving” charter schools had better test scores than the “sending” public schools—the balance were either worse or too new to have a record.<sup>5</sup> Of course, test scores are hardly the last word in quality, but you have to wonder just what the parents are basing their decisions on. The likely answer is that the decisions are based on what they hear from friends and neighbors, but who knows how good that information is?

Anyone who has worked in a bureaucracy will at least give a wistful hearing to charter proponents’ claim that schools acting outside all those burdensome public-management structures will thrive. Sadly, empirical work also counters proponents’ claims about autonomy and flexibility. The charter movement itself is largely top-down. In New York, Mayor Michael Bloomberg blew up the old elected Board of Education and turned its functions over to a mayoral Department of Education, a model other cities have followed as well. Nationally, No Child Left Behind and Race to the Top have accelerated the growth of charters. And bringing private management into the public schools also accelerates centralization and standardization: charters run by for-profit Education Management Organizations turn personnel and curriculum decisions formerly made at the school level over to top management. This recapitulates the history of capitalism—transforming autonomous artisanal work into rationalized, hierarchical wage labor.

Teacher turnover rates are higher at charters than traditional public schools. A study by David Stuit and Thomas Smith of Vanderbilt shows that teachers at charter schools were almost twice as likely to quit their jobs as teachers at traditional public schools—and twice as likely to leave teaching entirely.<sup>6</sup> They find that this is not a reflection of clever managers, freed from onerous restrictions, weeding out the underperformers. Instead, they find that

“most of the turnover in charter schools is voluntary and dysfunctional.” Teachers in charters are burdened by overwork (sixty-hour workweeks are not uncommon), insufficient instructional resources, and low salaries. Since it is clear that teachers improve with experience, it is hard to see how having a staff of recent grads with an eye on the exit is consistent with long-term excellence.

As was mentioned earlier, the crucial political support for charters comes from the business world, especially Wall Street types; business-originated agents like New York City mayor Michael Bloomberg; and business-friendly private foundations like Bill Gates’s. Though they like to talk about school accountability, these agents themselves are not accountable to anyone; their power comes from money.

At this point, there is really no bulletproof way of saying that charters are significantly better or worse than traditional public schools. Some are better, some are worse, and most are probably more or less the same. But given the attention paid to charters and the resources devoted to them, this should be a very disappointing conclusion, and should encourage a renewed focus on making the existing public school system work better. But that is not happening.

It is curious that the biggest promoters of the charter agenda—economists, businesspeople, and business-y philanthropies—are people who are supposedly driven by measurable returns on investment. But the return on investment is not there, nor is there any reason to believe that it ever will be. (You can bet that few of the high-profile advocates are sending their own kids to No Child Left Behind / Race to the Top schools.) So maybe the passion for chartering comes from somewhere other than improving educational outcomes.

The key might be found in one of the RAND studies quoted above: charters “have achieved comparable test score results with fewer public resources.” Put this together with the higher turnover rates at charters and it is enough to make you think the movement really is all about busting teachers’ unions and cutting salaries. That may be the most persuasive metric of all, for the elites. But it is not going to turn us into Finland.

We should not move on without pointing out how damaging the test obsession is to intellectual development. Testing turns reading instruction into mere technique. Kids do not learn to read books—they learn to decode texts. And the No Child Left Behind / Race to the Top agenda largely throws arts, history, music, science, and social studies overboard. This should frighten anyone who cares about the importance of ideas, beauty, and grace to a good society. Education “reform” threatens to make this a more brutish and thoughtless society than it already is.

It is remarkable how similar the U.S. educational system is to our health care system: by world standards, we spend gobs of money on both, in return for

underwhelming outcomes. On education, we spend a third more than the Organisation for Economic Co-operation and Development (OECD) average, the second-highest of any country, to produce merely mediocre scores on internationally comparable tests.<sup>7</sup>

Let us examine the dimensions of spending, and the enrollment and attainment numbers. In 2007, the United States spent 7.6 percent of GDP on education, 1.9 percentage points above the OECD average, and exceeded only by Iceland. But before this is turned into a right-wing, "See, you just can't throw money at this problem" homily, several factors lurking below this fat headline number must be discussed.

First, 41 percent of that spending is on tertiary education (college and beyond), 15 percentage points above the average. Spending on primary and secondary education is 4.0 percent of GDP, matched or exceeded by six countries, and just 0.5 of a percentage point above the average. So we stint on mass education in favor of elite.

And despite all that spending, a surprisingly small share of our population is in school—at all levels. The OECD presents data on the number of years for which 90 percent or more of the population is enrolled. The average is thirteen years; in most Western European countries, it is fourteen or more. But in the United States, it is just eleven years, tied with Mexico, behind Slovenia and just two years ahead of Brazil. Enrollment rates for those aged five to nineteen are slightly below the OECD average—and somewhat further below the EU average. Enrollment rates drop the further up the age ladder you go: less than a quarter—23 percent—of Americans in their twenties are enrolled in some sort of school, 2 percentage points below the OECD average. (That despite spending a bundle on tertiary education.) And the United States is not lagging because college is delayed until later in life; we are also below average for people over thirty.

Underperformance is even more extreme at the other end of the age spectrum: just 47 percent of three-to-four-year-olds are in preschool, 24 percentage points below the OECD average, and 3 percentage points behind Brazil. In most Western European countries and Japan, preschool is nearly universal. Many studies have shown that kids who go to preschool do better in school, make more money, get along with other people better, and are less likely to end up in jail than those who do not.

Breaking down expenditures by category is no more flattering to the United States than the enrollment numbers. Almost 12 percent of U.S. spending on primary and secondary schools is devoted to capital expenditures, 4 percentage points above the average and one of the highest shares in the world (or at least the subset for which the OECD reports data).

Current—as opposed to capital—spending in the United States shows an

unusually large share devoted to administrative and support staff, and a small share devoted to teachers' salaries. But what do our education reformers want to do? Spend more on computers and other gadgetry, and break teachers' unions and cut their salaries.

Teachers are not all that highly paid in this country. Secondary teachers with fifteen years experience earn 35 percent less than the average college graduate, 22 percentage points below the OECD average, and 38 percentage points behind Finland. The figures are worse for primary teachers—40 percent below the average college grad. This is not the way to attract talented people into the field.

A skeptic might counter, yes, but U.S. overall incomes are higher than many foreign countries, so teachers are doing pretty well in absolute terms despite their poor standing relative to other occupations. But that skeptic would be wrong. A U.S. primary school teacher is paid about \$40 per hour of teaching time, \$10 below the OECD average, and more than \$16 below Finnish rates. Upper secondary teachers earn \$45 per classroom hour in the United States \$26 below the OECD average, and almost \$37 below Finland.

Sometimes you hear earnest liberals say we need to increase the "prestige" of teaching. It is a very high prestige occupation in Finland and quite competitive, so maybe if we raise its prestige here, we will get better outcomes. But it is not clear how we could do that merely by chanting mantras. If we are serious about improving our schools, then we should be raising pay, not scheming to cut it.

The United States was a world pioneer in mass education—basic education in the nineteenth century, higher ed in the twentieth. Sadly, we are now a leader in undoing that legacy, making war on our public schools, and making higher education more expensive and less accessible to all except the rich and precocious. Our elite universities are some of the finest in the world, and are likely to stay that way for some time, but less exalted public institutions are under constant budgetary assault. It is what you would expect of a society that rewards its top 1 percent so well.

As noted above, less than a quarter of Americans in their twenties—23 percent—are enrolled in some sort of school, putting us seventeenth in the OECD's universe. Finland, the leader, is 20 points ahead; most other Western European countries are 5–10 points ahead.

But we do reward people with degrees: the United States has one of the largest earnings premiums for people with at least a bachelor's degree in the OECD's world. Someone with a bachelor's earns 77 percent more than someone with only a high school diploma (or their international equivalents), 24 points above the OECD average. The college premium looks to be broadly associated with the general level of inequality, with the Brazil and the United States at the top and Sweden at the bottom.

People across the spectrum say that education is the key to reducing poverty and inequality, but the United States looks rather poor at providing it. And all anyone in power wants to do is make already low-paid teachers miserable and give more tests.

Though pundits and politicians bewail the state of U.S. education, they show a lack of interest in how things are done elsewhere. Here is an attempt to fill that gap. Since 2000, the OECD, the Paris-based official think tank mainly sponsored by the world's rich countries, has been administering a battery of internationally comparable tests every three years. Known as the Programme for International Student Assessment (PISA), it measures achievement in reading, math, and science among fifteen-year-olds in thirty-four OECD member countries (mostly rich ones) and thirty-one "partners" (mostly middle-income "developing" countries). In the case of China, only selected cities, notably Shanghai, were tested. Shanghai is not representative of the rest of China, but its results are formidable. Tests are, of course, deeply flawed instruments. But as tests go, PISA looks to be pretty good. What do they tell us?<sup>8</sup>

To start with, they tell us—much like the international health care stats—that the United States does not get good results for the gobs of money it spends. Measured as a share of GDP, the United States is one of the world's biggest spenders on education, but comes in only at the middle of the PISA league tables. Finland, which regularly scores near the top, is at the middle of the spending ranks. When the right says that improving education is not a matter of money, they have got half a point, even if the rest of their agenda is cracked.

Obviously, the richer a country is, the better educated its population is likely to be. But the relationship is noisy. The trendline "explains" only 2 percent of the relationship between income and reading scores. Departures from that line are interesting. Chile, Mexico, and Austria do considerably worse than their income levels would warrant. South Korea, Finland, Canada, Australia, and New Zealand all do considerably better. The United States is right where it "should" be—but given the similarities among the United States, Canada, Australia, and New Zealand, all settler offshoots of Britain, the United States looks like a slacker.

A better predictor of reading scores is the educational attainment of the tested kids' parental generation, which explains 43 percent of the variation in reading scores. Again, the departures from the trendline are interesting. Some of the same countries outperform and underperform, though Canada drops off the list of outliers and Israel (which has really stunted on education lately) joins. The United States sags.

Another good predictor is the share of the population of low economic, social, and cultural status, an OECD composite indicator that includes things like the educational attainment of parents, household income, and the number of

books in the home. About 10 percent of U.S. students are of low status, below the OECD average—but that average is pulled up by high shares in poorer countries like Mexico and Turkey. The Western European social democracies, not surprisingly, mostly have lower shares than the United States. Still, the mapping of reading scores onto social status is imperfect, and the departures from the pattern are interesting. The mediocre reading scores in the United States are pretty much in line with the prediction of a statistical model—but a familiar set of countries outperform (Finland and Korea) and underperform (Israel, Chile, Mexico) the predictions. Shanghai and Kyrgyzstan have virtually identical sociocultural scores—but Shanghai has the best reading scores and Kyrgyzstan the worst. Background matters, but so do schools.

Poverty explains a lot of the variation in U.S. educational outcomes. But the experience of other countries shows that it does not have to be this way, that the way to neutralize the effects of poverty is to devote more resources to poor children. That is not the way it works here, though. Given the intensely local nature of school funding, resource allocation intensifies the effects of our skewed income distribution rather than mitigating it. As a result, among the rich countries, the United States has the most unequal distribution of income *and* one of the strongest relationships between sociocultural background and outcome. Some poorer countries, mostly in Latin America, do worse, but it is hard to imagine anyone bragging that we do better than Peru.

A number of progressive analysts of U.S. education, with the estimable convert Diane Ravitch prominent among them, emphasize the importance of poverty to our poor educational outcomes. There is a lot of truth to this, but we also do very badly at compensating for poverty (and there is no good excuse for the mediocrity of the middle). In better-performing countries, schools with poorer students get more resources, not fewer. But that is not the drift of current policy (or mainstream “reform”).

Work on the relationship between PISA scores and economic growth suggest that if the United States could get up to Finnish levels, our GDP growth per capita would be about 0.8 points a year higher; if we could get to Shanghai’s levels, it would be 1.4 points higher. The underlying reasoning is that better-educated workers are more productive and more likely to come up with technological innovations. No doubt this statistical relation is imprecise and probably overstated, but the general point probably has some merit. Even an increase of 0.4 point in our long-term growth prospects would be significant. Over the last 30 years, U.S. GDP per capita growth has averaged 1.7 percent. Extrapolating that 1.7 percent rate over the next 30 years, 2010’s GDP per capita of about \$47,000 would rise to \$78,000 (in today’s dollars). Boosting that growth rate to 2.1 percent would add \$10,000 to 2040’s income level. It would also mean that all the hysteria about Social Security and Medicare busting the budget would have to be sent packing.

Of course, talking about growth inevitably brings up questions of distribution and sustainability. Boosting growth rates would be of little help if the top 1 percent gets all of the increment, or if it contributes to Iowa becoming beachfront property. But if we want to prevent this, it would be helpful to have a population educated enough to understand the risks and to do something about them.

In a separate volume in the PISA series called *Lessons for the U.S.*, the OECD begins with a number of broad points. It looks at several national systems as models: Japan and Finland for consistently outstanding performance; Ontario not only for its high performance but proximity and similarity to the United States; Germany, for having gotten scared by its low rankings in early PISA exercises and resolving (successfully) to do a lot better; and Brazil, for great improvement against great socioeconomic odds. In the most successful systems, teachers are treated as high-level professionals; curricula emphasize creativity and complex skills; work organization is flat and collegial rather than hierarchical and authoritarian; accountability is to peers and stakeholders, not the authorities; and all students, not merely the best ones, are expected to learn at high levels. The U.S. scores poorly on many of these criteria, and many of our “reforms” take us in a worse direction.

Like the United States, Canada has a decentralized school system with a heterogeneous population and lots of immigrants. As with Germany, low rankings on the early PISA tests prompted the government to push for serious school reform.

The OECD points to some preexisting strengths in Canadian society that made positive reforms easier. Canadian kids are more likely to read for pleasure than any other country in the world. The country has a decent welfare state that offers good care even for the poor, and an income support system that, while well short of Scandinavian levels of generosity, does mitigate “the vicissitudes of capitalism” (the OECD’s phrase). Further, the OECD remarks that:

the idea of a welfare state and a common good is much more firmly entrenched in Canada than in its more individualistic neighbour to the south (the US). The idea that health care and other social services are a right and not a privilege carries over into education, where there is a broadly-shared norm that society is collectively responsible for the educational welfare of all of its children. The combination of this norm with the protection afforded by the welfare state creates a climate in which school success is expected for all students.<sup>9</sup>

Remember, this is the OECD, a thoroughly bourgeois institution, speaking.

But those were longstanding features of the Canadian system; what is



interesting are the kinds of reforms that took place in Ontario, under a Liberal government that took office in 2003. The Liberals, led by premier Dalton McGinty, succeeded a deeply reactionary regime, led by Mike Harris, whose education policies featured cost-cutting, school choice, “demonising teachers” (the OECD’s phrase), promotion of private schools, and extensive testing. (Sound familiar?)

McGinty led a dramatic shift away from Harris-style policies. At the center of the reforms was teacher development—improving their skills, and working with them. The provincial government, says the OECD, “drew a sharp contrast between its capacity-building approach...and the more punitive versions of accountability used in the United States.” Their approach was collegial and cooperative, not competitive. No one spoke of tying pay to performance. (Sad to say, the Liberals have since junked this agenda and embraced U.S.-style “reform” instead.)

Going into these reforms, Canada had another advantage besides its health care system—teachers had long been recruited from among the top third of secondary school grads. According to a McKinsey study, a characteristic of all high-scoring systems is the degree to which prospective teachers are drawn “from the top end of the talent pool.” (In Finland, it is more like the top fifth.) But, as one Canadian teacher told the OECD researchers: “Everyone knew that there was a loophole—you could always cross the border to the United States. Anyone can get credentialed there.”

This is something that almost no one in the United States wants to talk about. Progressives are understandably reluctant to criticize teachers, given the many good ones we have and the slanderous attacks they have been under, but teaching is just not a well-paid or prestigious profession. Because of that—and because of the profound anti-intellectualism of the culture, something else a lot of progressive education pundits do not like to talk about either—education schools do not consistently draw the most vigorous candidates. According to the College Board, average SAT scores for seniors planning to go into education fall into the bottom third. The way to address that problem is not a mystery.

In successful systems like Ontario (before the Liberals’ reactionary turn) and Finland, teachers have a great deal of professional autonomy. There may be a national curriculum, but teachers are expected to know their subject well and develop their skills at imparting knowledge. Finland requires master’s degrees even for primary teachers; in most successful systems, master’s are typical or even required in the subject area for secondary teachers. In some Asian systems, new teachers serve as apprentices to master teachers before they are allowed to run their own shows. There are no generalists just thrown to the wolves as in the United States.

And in most successful systems, standardized tests are rare, and are generally administered only at major breakpoints, like entrance into or

graduation from high school. Administrators of top systems are very conscious of what other high-achieving countries do, and try to emulate what they can. The contrast with the United States is stark. In fact, there is no other country that does anything like what we are doing—the testing, the punitive evaluations, the vendetta against “bad” teachers.

Back in the 1990s, Finland quite consciously chose to improve its educational system to move away from a resource-based economy towards a high-tech one. It has largely succeeded. China has made a similar decision, to support a move away from low-tech to higher-tech production. Despite lip service paid to those sorts of goals in the United States, most education reform here has focused on cost-cutting and tighter discipline. So if you strip away the rhetoric, it looks like the U.S. elite’s long-term plan is for a low-wage, poverty-ridden economy where the bottom 50–75 percent is supposed to shut up and stay in line. This makes sense if you look at what sectors of our economy are projected to grow the most—those involving poorly paid jobs like changing bedpans—and the fact that none of this education “reform” has been accompanied by any serious plan to create better jobs. The upper crust will continue to send its kids to crunchy, progressive schools like St. Ann’s and Sidwell Friends. (As right-wing school reformer Terry Moe told one of us in a 2011 interview, “Everything is better when you’re an elite.”) But for everyone else, it is going to be rules, poorly paid teachers, and lots of tests. And from there, it is on to McDonald’s if you are lucky, or jail, if you are not. Of course, no one says that openly (certainly not as openly as Woodrow Wilson did a century ago in the quote that opens this article)—but by their deeds ye shall know them.

Public schools are one of our few, and most widely shared, public goods. (No wonder they are under attack; their very existence seems to elites of all political stripes to be a vestige of socialism.) In a society that leaves us utterly on our own to forage for most of life’s basic necessities, the continued existence of public education—and the fact that much of it is pretty decent—can seem like a kind of miracle. Fortunately, it is not a miracle most people are ready to do without.

That is why resistance to the agenda of the “reformers” is growing. Many teachers have been discouraged by how readily their unions have conceded to this assault of testing, privatization, and austerity. But some are responding with a real fight. In Chicago, a slate of union dissidents committed to complete rejection of Democratic mayor Rahm Emanuel’s “reforms” has successfully taken over the teachers’ union. Teachers there have gone on strike and are building real coalitions with parents and others in the community to demand the—no quotation mark—reforms schools actually need: more equitable funding, more services, smaller class sizes. And of course, working conditions that will attract great teachers and entice them to stay. Teachers

## MARKETIZING SCHOOLS

elsewhere—New York City for example—have been emboldened, and are mounting similar challenges to entrenched leadership. In Seattle, teachers and students have been boycotting the Measures of Academic Progress (MAP) test. Parents all of the nation have been fighting too: against undemocratic school boards, high-stakes testing, school closings, and the steady enclosure of private interests upon public school buildings. These efforts got a vital injection of radical spirit from Occupy, but ably have gone on without it.

It is tough to sum up the message of this education justice movement in one slogan. But we were impressed, listening to Chicago Teachers' Union president Karen Lewis earlier this spring at the United Federation of Teachers headquarters in Manhattan, by her ability to do so. "They say every child deserves a choice," she fumed, characterizing her elite opponents. "We say every child deserves a guarantee." "Choice" is the language of the market, which assumes scarcity as a given; "guarantee" is the language of social justice, a much better thing.

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Books of Update Publications, Aakar Books,  
Cornerstone Publications, Monthly Review Press,  
Radical Impression, People's Book Society,  
Setu Prakashani, etc. will be available in

# GRANTHAMELA

A (P) 12, Varnaparichay (Old College Street  
Market), Kolkata 700007 (1st Floor)

(On Tuesday, May 7, Leo Huberman was called to testify [before the House Un-American Activities Committee]. He answered all the questions put to him in the brief session. As we go to press we do not have a copy of the full transcript, but we print below a few of the questions and answers. Since they are recorded from memory alone, the wording is not exact. We print them merely to give the flavor of what transpired at the hearing.)

Q. In January 1961, the State Department imposed a ban on travel to Cuba. You were there in April, after the ban was imposed. Did you have validation of your passport, from the State Department, to make the trip?

A. Yes, I did.

Q. Have you your passport here to prove it?

A. No, but here is a photostatic copy of the page showing the validation. (Copy reads: "This passport is valid for travel to or in Cuba." It is dated March 29, 1961, and is signed by Frances Knight, Director Passport Office.)

Q. I show you a list of articles on Cuba which appeared in MONTHLY REVIEW from 1960 to 1963. Is this list correct?

A. It is correct as far as it goes, but it is incomplete. We have printed many more articles on Cuba.

Q. Were you asked by the Cuban government to print those articles?

A. We were not. We ran those articles because we have long been interested in the problem of how to get rid of the evils of poverty, unemployment, disease, illiteracy, bad housing, and an unbalanced economy which plague the underdeveloped countries. Cuba had a revolution and solved the problem. In the other Latin American countries the evils continue to exist. There is only one underdeveloped Latin American country which has solved the problem and that is Cuba.

Q. Are you advocating a Communist take-over in the countries of Latin America?

A. I didn't say that—you did. I said that the evils to which I have referred are major problems for all underdeveloped countries, including Latin America and that, in my opinion, only a revolution along the lines of that led by Fidel Castro in Cuba will solve the problem for Latin America. Incidentally, I might add that I was advocating such a revolution for Latin America when Fidel Castro was only about 10 years old.

Q. Are you a propagandist for the Communist government of Cuba?

A. I am not a propagandist for the Cuban government, or any other government, or any party, or any organization. But I am, indeed, a propagandist—I am a propagandist for the truth as I see it.

—Leo Huberman, "A Suggestion to HUAC,"  
*Monthly Review*, June 1963



Commentary from

**Monthly Review**

June 2013, Vol.65, No.2

***An Independent Socialist Magazine Founded in 1949***

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The U.S. working class was slow to respond to the hard times it faced during and after the Great Recession. Finally, however, in February 2011, workers in Wisconsin began the famous uprising that electrified the country, revolting in large numbers against Governor Scott Walker's efforts to destroy the state's public employee labor unions. A few months later, the Occupy Wall Street movement spread from New York City to the rest of the nation and the world. Then, in September 2012, Chicago's public school teachers struck, in defiance of Mayor Rahm Emanuel's attempt to destroy the teachers' union and put the city's schools firmly on the path of neoliberal austerity and privatization.

One thing that these three rebellions had in common is the growing awareness that economic and political power in the United States is firmly in the hands of a tiny minority of fantastically wealthy individuals whose avarice knows no bounds. These titans of finance want to eviscerate working men and women, making them as insecure as possible and totally dependent on the dog-eat-dog logic of the marketplace, while at the same time converting any and all aspects of life into opportunities for capital accumulation.

The public sector is still, despite the effort of capital to dismantle it wherever it is not subservient to the plutocracy, the one sanctuary people have against the depredations of the 1 percent. Through struggle, working men and women have succeeded in winning a modicum of health care and retirement security, as well as some guarantee that their children will be educated, all irrespective of the ability to pay for these essential services. They have also found decent employment opportunities in government, especially women and minorities. The public sector, then, is a partial barrier to the expansion of capital in that it both denies large sums of money to capitalists (social security funds, for example) and protects the workers in it from the vagaries of the labor market. It is thus not surprising that capital has gone on the offensive against government provision of whatever is beneficial to the working class.

A major war is now being waged by capital and its political allies against

## COMMENTARY

our public schools, especially those that serve poor and minority communities. Billionaires like Bill Gates and the Walton family have established organizations and contributed enormous sums of money to do two things. First, they seek to revolutionize the way in which students are taught. Here they have achieved great success, with two presidents enacting sweeping laws: No Child Left Behind and Race to the Top. Both condition federal aid to schools upon what has been described as “teaching to the test.” Literature, art, music, and all critical education are to be sacrificed so that children do well on standardized tests. Then, how schools and their teachers fare, including whether or not a school continues to exist, depends on students’ test scores.

Second, these plutocrat “reformers” want to alter radically the way in which schools are organized. The best way to describe their aim is to say that they want public schools to resemble assembly lines, with students as outputs and teachers as assembly-line-like mechanisms who do not think or instill in their students the capacity to conceptualize critically and become active participants in a democratic society. And this Taylorization of schooling has a military-like component, with pupils expected to react to commands with rote discipline and respond unthinkingly like dogs to rewards for appropriate behavior. (See the astonishing article “The Silent Treatment: A Day in the Life of a Student in ‘No Excuses’ Land,” in the excellent EduShyster blog, about a proposed charter school in the impoverished working-class town of Fall River, Massachusetts.) Needless to say, the achievement of these horrible goals is most likely to occur if the schools are privatized and the unions destroyed.

If those who are prosecuting this war against the schools succeed, they will have made workers more insecure, generated a compliant, alienated, and low-wage labor force, and created new ways to make money—a massive testing industry, for-profit schools, and consulting services. They will also have put another nail in the coffin of democracy. We should note that capital has already accomplished a great deal. Testing is now the norm, charter schools abound, and the mass media have joined the crusade against public school teachers. A reporter for the *New York Times*, for example, found it “curious” that in states where teachers themselves must be evaluated for competence, almost all teachers passed the test. She did not seem aware of her bias, that she simply accepted as fact that many teachers were incompetent, just as the “reformers” have been telling us (“Curious Grade for Teachers: Nearly All Pass”).

In this special issue of *Monthly Review*, teachers, activists, and scholars examine, largely through the lens of the strike last year by the Chicago Teachers Union (CTU), the war on teachers, their unions, their students, and their schools. In these essays, our writers give a vivid account of how the militant reform group, the Caucus of Rank and File Educators (CORE), won leadership of the CTU, how CORE forged strong bonds with poor communities to resist school closings and austerity measures, how Chicago’s financial and political leaders have been waging war against public schools and the teachers’ union, how the strike was built and ultimately won, and the lessons of the strike for teachers not just in Chicago but across the United States.



Our essayists also shine a spotlight on the teachers' unions. Like most labor unions in the United States, the American Federation of Teachers (AFT) and the National Education Association (NEA) long ago abandoned the militance that marked their beginnings and embraced the business union model, focusing strictly on wages and benefits, forming partnerships with management, and ignoring issues of social justice. As what is happening in the public schools now shows, this was a recipe for disaster. The CORE has shown the way toward an alternative model of teacher unionism, one in which teachers, students, and communities fight together to reverse the neoliberal attack and rebuild public education in a radically new way. Teachers in other cities, notably New York City and Los Angeles, have formed groups similar to CORE, and hopefully the movement will continue to build. However, as labor journalist Lee Sustar points out in *Socialist Worker*, conservative leaders still rule the teachers' unions: "AFT President Randi Weingarten has been directly involved in negotiations in New Haven, Baltimore, Pittsburgh and Cleveland, in which teachers abandoned their longstanding opposition to merit pay and accepted the weakening of teacher job security."

Finally, our authors show how little benefit we have seen from all the testing, school closings, and privatization. The United States exhibits education outcomes worse than almost any other rich nation. Perhaps what this tells us is that the war on public education has motives other than ensuring that our kids "race to the top." Perhaps creating a docile workforce and generating new profit opportunities are the real aims of the billionaire "reformers" and their political lackeys.

This was in fact the conclusion of our July-August 2011 special issue, "Education Under Fire: The U.S. Corporate Attack on Students, Teachers, and Schools," edited by William Ayres and Rick Ayres. The fact that *MR* has chosen to publish two special issues in just three years on the struggle for K-12 education (as well as publishing through Monthly Review Press Henry A. Giroux's new book *America's Education Deficit and the War on Youth*) shows just how important we think this struggle is today.

This special issue only addresses the struggles of teachers, parents, and their communities on behalf of public schools in the United States. But we are well aware that this is a world struggle and that similar, even more serious, battles are occurring elsewhere today in Canada, Mexico, Chile, Brazil, France, and many other countries around the globe. In the future *MR* plans to look at capitalism's international war on education as well as global developments in socialist education. In that context we would see the emergence of international co-operation among organized teachers as a very good sign indeed.

# In a Guerrilla Zone: Two Reigns of Political Violence in Bastar

**Bernard D'Mello and Gautam Navlakha**

The ambush on May 25 by Maoist guerrillas in the Darba Ghati valley (in the Sukma area of the Bastar region in southern Chhattisgarh), 345 kms south of the state capital of Raipur, of a convoy of provincial Congress Party leaders has shocked the Indian state apparatus. The Z-plus and other categories of armed security personnel—entitlements of the 'lords' of India's political establishment—were no match for the guerrillas. The main targets of the attack were Mahendra Karma, founder of the state-promoted, financed and armed private vigilante force, Salwa Judum (SJ), and Nand Kumar Patel, the chief of the Congress Party in the province and a former home minister of the state.

A press statement issued by Dandakaranya Special Zonal Committee of the Communist Party of India (Maoist) (CPI [Maoist]) on May 26 states that the "goal of this attack was mainly to eliminate Mahendra Karma and some other reactionary Congress top leaders". It pointedly reminds Chhattisgarh's state government leaders and state police officials "who are hell-bent on crushing the revolutionary movement of Dandakaranya" that they suffer from a "big illusion that they are unbeatable". Mahendra Karma too falsely believed "that Z-plus Security and bullet proof vehicles would save him forever". The statement also clarifies that in Chhattisgarh "there are no differences between [the] ruling BJP [Bharatiya Janata Party] and opposition Congress in terms of policies of suppressing the revolutionary movement.

Only due to public pressure, as well as to gain electoral benefits, some of the local leaders of the Congress at times came [out] in condemnation of incidents like [the] Sarkeguda and Edsametta massacres".

The convoy was returning from a "Parivartan Yatra" ("March for Change") rally in Sukma and the Maoists knew not only that Karma and Patel were in the convoy, but even the route that it was to take. The assassinations were thus meticulously planned and executed, though they took

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Bernard D'Mello, deputy editor, *Economic & Political Weekly*, Mumbai, has edited and co-authored *What Is Maoism and Other Essays* (Cornerstone Publications, Kharagpur, 2010). Gautam Navlakha, a long-time activist of the People's Union for Democratic Rights, Delhi, is the author of *Days and Nights in the Heartland of Rebellion* (Penguin, 2012).

a two-hour long gun battle with the state forces to accomplish, a clash in which many who merely serve or protect (the latter, armed personnel) the oppressors, and do so because they have little choice, were either killed or injured. The Maoist guerrillas reportedly even provided first aid to some of these persons who suffered injuries.

### **Righteous Indignation Against Maoist Violence**

Inevitably, in the aftermath of such incidents the chorus of righteous indignation against Maoist violence fills the waves, especially on TV. So, one has to constantly reiterate that there are two reigns of political violence in Bastar. The first, state and state-sponsored terror—heartless and coldblooded, it has constantly been outdoing itself in barbarity and callous indifference to human life. The second, the political violence of resistance—it is driven by an urge to transcend the prevailing exploitative economic relations and overthrow the oppressive social and political order. This, the violence of the oppressed, is reactive; it stems from the continuing acts of violence of the oppressors.

More important, the violence of the oppressors and the violence of the oppressed seem to have had a profound effect on the political culture and social psychology of the oppressed. There's this almost natural fury—hot passion—of the tribal peasants, men and women, even those in the Maoist militia and the People's Liberation Guerrilla Army (PLGA), for they have suffered so much at the hands of their oppressors, and there's a public memory of the exploitation, the oppression, the misery, the anguish that has been passed on over generations. Of course, there's a public memory of the collective resistance too, for instance, that of the Bhumkal Rebellion of 1910. One has to repeatedly restate these simple truths, for the intellectuals of the establishment want to blot them out. They want them left out of remembrance or consideration, just as they want to obliterate from public memory the reasons for the civil war, of which something akin to a "strategic hamlets programme" was sought to be executed by the SJ backed by the security forces, and this was the first phase of the anti-Maoist counterinsurgency, with Operation Green Hunt (OGH) being the grand design of its second stage.

The Indian Prime Minister, Manmohan Singh, has been rather upfront in stating the main reason for this war. Talking to select group of editors on September 6, 2010 he pointed out that "Naxalite [Maoist] areas happen to be those areas which are the heartland of India's mineral wealth . . . If we are not allowed to exploit the mineral resources of this country, I think the growth path of this country will be adversely affected". This was repeated by him in a speech to Indian Police Service (IPS) probationers on December 24, 2010: "Naxalism [Maoism] today afflicts central India where the bulk of India's mineral wealth lies and if we don't control Naxalism, we have to say goodbye to our country's ambitions to sustain a growth rate of 10-11 per cent per annum". The Bastar region of Chhattisgarh happens to be one such area



which is mineral rich but where large parts have been turned into a guerrilla zone by the CPI (Maoist)—tracts where the revolutionary movement is strong, but where the Party and its mass organisations are in power only as long as the guerrillas have the upper hand over the state's forces, and where power can revert back to the Indian state when they are forced to retreat.

Therefore, sections of the corporate media bay for the blood of the "leftwing extremists" and the human rights groups are being equated with the latter. Far away from the scene of the Maoist ambush, ensconced in the safety and comfort of their TV studios, the big guns, TV anchors and "talking heads", have been booming! They cannot stomach a successful ambush by the Maoist guerrillas. "This is a major setback for Operation Green Hunt"; "Shouldn't it be overhauled and intensified?" or better still, "Shouldn't the Army be deployed on the frontlines in Bastar?"

The Congress now seems bent on intensifying OGH with the despatch of additional central paramilitary forces. The BJP chief minister of the state, Raman Singh, initially suggested that the union government go in for talks with the Maoists. It may be noted that the latter have always been open to negotiations, even as they have insisted that they will not give up on the use of force. Nevertheless, the fiddling BJP, trying to discover what may serve its politics of one-upmanship, has now made common cause with the Congress to step up the joint battle of state and central forces against the Maoists. And, the Congress must surely be pleased with the Communist Party of India (Marxist) politburo's statement demanding "firm action" to put an end to such Maoist "depredations" and urging "all democratic forces to fight the politics of violence".

### Salwa Judum—Terror Arm of the State Forces

We refuse to join the chorus of righteous indignation against Maoist violence. Why? The credentials of the leaders of this chorus against Maoist violence, this so-called "anti-terrorist" chorus, are well known—in the eyes of the victims, whether ordinary adivasis in southern Chhattisgarh or Muslims in Gujarat, they stand convicted of terrorism on a scale that constitutes "crimes against humanity". The Congress-led UPA government sanctioned the "security-related expenditure" that funded the SJ. The state BJP government turned the other way when the funds for IDP camps went into the personal coffers of SJ leaders. And, the mining companies contracted with the SJ warlords for "protection and 'ground-clearing' services". The SJ which Karma led was "a land and power grab masquerading as a local uprising", as Jason Miklian, writing in the journal, *Dialectical Anthropology* ("The Purification Hunt: The Salwa Judum Counterinsurgency in Chhattisgarh, India", 33, 2009, p. 442, 456), put it.

In Dantewara, Bastar and Bijapur districts in Chhattisgarh, in the context of large-scale acquisition of land by corporations in what is a mineral-rich region, entire villages were evacuated and villagers forcibly herded into camps,

from which those who escaped were branded Maoists and hunted down. Indeed, SJ, which organised the evacuation and forced herding "was created and encouraged by the [state] government and supported with the firepower and organisation of the central police forces." No, this quote is not from a report of one of the country's civil liberties and democratic rights organisations, but taken from chapter 4 of a 2009 draft report authored by Sub-Group IV of the Committee on State Agrarian Relations and Unfinished Task of Land Reforms, set up by the Ministry of Rural Development, New Delhi. Without mincing words, this report referred to "the biggest grab of tribal lands after Columbus" in the making as being initially "scripted by Tata Steel and Essar Steel who want[ed] seven villages or thereabouts, each to mine the richest lode of iron ore available in India."

The period from June 2005 for about eight months witnessed the depredations of the SJ backed by the state's security forces—the murders of hundreds of ordinary Gondi peasants, the razing of hundreds of villages and the forcible herding of people into camps, the sexual atrocities against women, vast stretches of cultivable land lying fallow, the total disruption of the collection of minor forest produce, lack of access to the weekly *haats* (local markets), the schools turned into police camps, the complete trampling upon of the rights of people. It was only when the Maoists raised a Bhumkal militia and their People's Liberation Guerrilla Army (PLGA) launched a series of "tactical counter-offensive campaigns" that the Indian state began to re-think its counterinsurgency tactics.

### **Maoist Resistance**

For instance, on July 16, 2006, the PLGA attacked the SJ-SPO-organised, security forces-protected Errabore camp in Dantewada to free the detainees there. On March 15, 2007, the PLGA attacked a police camp that had been set up in a girls' school in Ranibodli (in Bijapur police district), killing 68 policemen, a significant proportion of them Special Police Officers (SPOs), and looted weapons, making sure that all the schoolgirls in the hostel were safe. It is significant that after most of such attacks the Party had appealed to the SPOs (locally recruited tribal youth) to quit their jobs and seek the people's pardon. In one such statement issued after the Ranibodli raid, Gudsa Usendi, the Dandakaranya Party spokesperson addresses these desperadoes:

[T]he government is playing a dirty and dangerous game of keeping you in the front and making you kill your own brothers and sisters, mothers and fathers. That's why we are asking you to quit this job.

Clearly, given the backing of the Party and the PLGA, the tribal masses could not be terrified into submission. But the SJ-SPO operation went on.

On January 8, 2009, in the village of Singaram (Dantewada district), the SPOs displayed a level of savagery, indeed, barbarity that was shocking—they

## IN A GUERRILLA ZONE: TWO REIGNS OF POLITICAL VIOLENCE IN BASTAR

took their hostages to a canal and butchered them, taking turns in raping the women before slaughtering them. But repression breeds resistance, and severe repression only hardens the resistance.

In September 2009, the Union Home Ministry, with the joint command that it had organised to coordinate the counterinsurgency operations of the central security forces with the police forces of the seven states—Andhra Pradesh, Chhattisgarh, Jharkhand, Bihar, Orissa, Maharashtra, and West Bengal—where the Maoist movement was spreading, launched OGH. Significantly, Dantewada—the epicentre of what the Indian state calls "left-wing extremism"—was where OGH began, in the Kishtaram-Gollapalli area. As expected the Maoists responded with an intensification of their "tactical counter-offensive campaign".

On April 6, 2010, PLGA guerrillas the size of a small battalion ambushed troops of the Central Reserve Police Force (CRPF), including members of COBRA (Commando Battalion for Resolute Action), modelled on the lines of the Andhra Pradesh Greyhounds, between Tadimetla and Mukaram villages, killing 76 of the state troops. In the statement issued after the attack, in a section entitled "why was this counter-attack carried out?" the Party mentions, among other things, the barbaric acts of the state forces, the Singaram incident (the state atrocity mentioned above, in particular). The press release goes on to say:

Behind the April 6 attack on [the] CRPF in Tadimetla lies the anguish, sorrow, insults, exploitation and repression suffered by thousands of adivasis of Bastar. This is incomprehensible to those hypocrites and empty phrase-mongers who repeat endlessly that Naxalites should abjure violence.

There's a lot more detail one can add, but suffice it to say that OGH has been stepped up from January of this year. In the last major incident in Edsametta village on the night of May 17 in Bijapur district, personnel of the COBRA fired unilaterally and indiscriminately, killing eight ordinary adivasis, including four minors, none of whom were Maoists. This deliberate targeting of the support base of the Maoists is part and parcel of the state's counterinsurgency policy. It occurs so often, for instance, what the villagers of Sarkeguda, Kothaguda and Rajpenta (in Bijapur district in southern Chhattisgarh) suffered on June 28 last year when 19 of them were gunned down, even when there was no exchange of fire. It is as if whoever supports the Maoists deserves to be killed, for, according to state intelligence, these were villages that backed the Maoists.

### Ethics of the Violence of the Oppressed

Now where was the chorus of righteous indignation against Maoist violence when SJ was committing crimes against humanity and when OGH

was (and is) doing the same? We know what decent political behaviour is, and certainly a lot better than the leaders of this chorus. But we owe it to ourselves to analyse what happened, this on our terms and for our purposes. Given the fact that ordinary adivasis, including those in the Maoist militia and the PLGA, have suffered so much at the hands of their oppressors, there surely is a widespread emotional need to avenge deeply felt wrongs (i.e., seek revenge) and there must be a lot of frustrated and tortured people who are ready to sacrifice their lives to avenge themselves or their fellow victims. We do not think that we ought to condemn their motives or their violent actions, and we don't think or recommend that the CPI (Maoist) do the same. Indeed, we think that the CPI (Maoist) is doing exactly what we think is the right thing to do—it has mobilised these people in a collective struggle to change the very conditions which have driven some of their fellow men and women to engage in violent acts of revenge.

In the context and circumstances we have outlined, and given the fact that the Constitution and the law have failed to bring justice to the victims, the violence of the oppressed, led by the Maoists, is a necessity. Or, to put it differently, in the context and circumstances, the use of violence is a *necessary evil*. Moreover, the violence of the oppressed is serving the cause of justice. And, given that the law and the Constitution have let the victims down, it is morally justified. The oppressed have been left with no other way but to challenge the violence that reproduces and maintains their oppression.

Nevertheless, there are dehumanising aspects of the violence of the oppressed. We are radical-left intellectuals who have learnt from Marxists, Marxist-Leninists, Maoists, feminists, ecologists, dalits, tribals, oppressed nationalists, civil libertarians and peace campaigners, indeed, even from pacifists. Often, violence and non-violence are contrasted as mutually exclusive ways of confronting oppression, and the Maoist way is claimed to be exclusively violent. This is far from the truth. At the heart of the political activity of the Maoists is organising and convincing people, not only of the need to fight against oppression, but of the need for a new society free of oppression, and most of this political activity involves only non-violent confrontation, albeit in a more committed manner. In the best tradition of the philosophy of non-violent resistance, Maoist practice is based on the "notion of witness"—a small number of highly committed revolutionaries, by force of example, involving a great deal of sacrifice, and taking huge risks, teach a large number of people and, in the process, change the political consciousness of these people and win them over in the collective struggle for freedom and justice.

In their violent political resistance, however, we feel that the Maoists need to take account of the entire set of consequences. It is heartening to find that in the fight against the oppressors and their hired combatants, the Maoists are



now sensitive to the injuries and deaths that they inflict on those who serve or protect the oppressors but who have to do so because they have little choice. Like the People's Union for Democratic Rights, we too want to persuade the revolutionaries to specify certain limiting conditions for the deployment of violent means, like the Common Article 3 of the Geneva Conventions and Protocol II relating to non-international armed conflict. Cruelty and brutality must never be a part of the means of revolution. Another consequence of violent means is that the mass base of Maoists then comes under attack and the Maoists are often unable to protect these supporters.

### Political Goals of the Guerrilla Warfare

While the condemnation of the Darba ambush by the anti-terrorist chorus ought to be subjected to criticism, it is important that there is consistent and regular counter-political propaganda which places such incidents in a political perspective and articulates the political goal of the guerrilla warfare waged by the Maoists. For the Maoists, if we understand them correctly, this war is not merely the continuation of politics by other means. The political situation had developed to a stage beyond which it could not proceed by the usual means, and in the course of the war the Maoists are trying to sweep away the obstacles in order to achieve their political aims. At present, the Indian state, on behalf of the ruling classes, is waging this war to enable private, including foreign direct, investment in the industrial—mainly the mining—sector, while the Maoists—again, in the present—are fighting a war of resistance, a *just* war for the *physical* security of the adivasis, for the habitability of their natural environment as well as for the preservation of their *socio-cultural* environment. Contrary to official propaganda, in Bastar the war waged by the Indian state is not for the "development and welfare" of the adivasis; indeed, as a result of this "dirty war", the lives and livelihoods of the adivasis are under severe attack.

While this political message may be clear to many living in the proximity of the war zone, it is generally not understood outside the war zone(s). Hence, there is a need to explain to people all over the country why this war is being waged and in whose interests it is being fought. The PLGA is an armed body for carrying out the political tasks of the revolution and hence it is the responsibility of the Party to explain the politics behind every major strike by the revolutionaries. The paucity of such propaganda outside the war zone(s) is a weakness that the CPI (Maoist) has to overcome if it is to retain the credibility of its political project.

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ISBN: 978-81-88401-30-7, 320 pp, ₹200.00

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Printed, published and owned by Subhas Aikat and printed at New Rainbow Laminations, 31 A, Patuatola Lane, Kolkata-700009 and published at Cornerstone Publications, Ramesh Dutta Sarani, P.O. Hijli Co-operative, KHARAGPUR-721306, Paschim Medinipur, West Bengal.

Editor: Subhas Aikat

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# Analytical MONTHLY REVIEW

Vol. 11, No. 4 & 5

July & August 2013

₹60.00

## The Cultural Apparatus of Monopoly Capital

**The Quality of Monopoly Capitalist Society**  
*Culture & Communications*

Paul A. Baran and Paul M. Sweezy

St. Brecht & the  
Theatrical Stock Exchange  
Eleanor Hakim

Communications in  
Capitalist Society  
Ralph Miliband

Existing Alternatives  
in Communications  
Raymond Williams



*Edited & Introduced by*  
Robert W. McChesney & John Bellamy Foster

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## Editorial

In the by now tedious cliché, India with a population of 1.22 billion (122 crores) and with an elected parliament, is supposed to be the largest democracy in the world. The relation between democracy and size is problematic. In small communities, voters can be presumed to have some personal knowledge of both candidates and issues arising from their life experience. But democracy in such communities in India is, to put it very mildly, slight. The various Panchayat systems set up to implement the 73rd and 74th Constitutional Amendments are deprived of either significant jurisdiction or even minimal resources, and in most cases both. The sole exception is in West Bengal, where the Panchayat system was created fifteen years before the 73rd Amendment, and developed into real—if flawed—organs of local self-government. In consequence panchayat elections in West Bengal alone in all of India are truly serious matters and, as we are at the time of writing painfully aware, reflect a democracy increasingly overshadowed by gangsterism and force. But for the rest, "democracy" amounts to periodical electoral exercises where the electors choose among candidates and programmes not on the basis of their personal knowledge or life experience but on information received from the media. If such democracy is to be

*continued on page 132*

# The Cultural Apparatus of Monopoly Capital

## An Introduction

John Bellamy Foster and Robert W. McChesney

The past half-century has been dominated by the rise of media to a commanding position in the social life of most people and nations, to the point where it is banal to regard this as the “information age.” The once-dazzling ascension of television in the 1950s and ‘60s now looks like the horse-and-buggy era when one assesses the Internet, smartphones, and the digital revolution. For social theorists of all stripes communication has moved to center stage. And for those on the left, addressing the role of communication in achieving social change and then maintaining popular rule in the face of reactionary backlash is now a primary concern.<sup>1</sup> The Arab Spring and the media battles of the elected left governments in Latin America are exhibits A1 and A2. Any serious left critique or political program must account for and embrace communication or risk being irrelevant and impotent.

To address these emerging concerns, over the past four decades the “political economy of communication” has emerged as a dynamic field of study, and one where considerable radical scholarship has taken place. The field addresses the growing importance of media, advertising, and communication in advanced capitalist societies, examining how the capitalist structure of communication industries shapes their output, as well as the role of media and culture in maintaining the social order. In particular, the field explores the way media “depoliticizes” people, and thereby entrenches the privileges of those at the top. It highlights the importance of government policies in creating the communication system, and the nature of the policymaking process in capitalist societies. In North America the decisive

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founders of this area of research were Dallas Smythe and Herbert Schiller. In Europe a generation of scholars coming out of the 1960s launched the field, and there the work was more closely attached to a re-reading of Marx. Perhaps the most visible manifestation of the research in the United States has been the stellar critique of journalism produced over the years by Edward S. Herman and Noam Chomsky.<sup>2</sup> Countless left activists are versed in the material today, a testament to the field's value and importance.

To no small extent, political economists of communication, including one of us, identified themselves as in the tradition of radical political economy, but with a sophisticated appreciation of media that had escaped their predecessors, locked in the past as they were. Paul Baran and Paul Sweezy were occasionally held up by political economists of communication as representing the sort of traditional Marxists who underappreciated the importance of media, communication, and culture.<sup>3</sup> Because of the preeminent role of their 1966 book, *Monopoly Capital*, Baran and Sweezy tended to receive more criticism than other radical economists who were likewise seen as negligent in this area. Smythe's seminal 1977 essay, "Communications: Blindspot of Western Marxism," while acknowledging *Monopoly Capital*'s strengths and importance, devoted more criticism to it than to any other work.<sup>4</sup> The pattern has persisted in subsequent writings.<sup>5</sup>

We were never especially impressed by this criticism.<sup>6</sup> To us, *Monopoly Capital*, and the broader political economy of Baran and Sweezy, far from ignoring communication, provided key elements for a serious study of the subject. Its emphasis upon the importance of giant corporations operating in oligopolistic markets provided a very useful way to understand media markets. Specifically, Baran and Sweezy's take on the "sales effort" and the role of advertising in monopoly capitalism was and is the necessary starting point for any treatment of the subject.<sup>7</sup> Few other economists came close to them in making advertising a central part of their political economy of capitalism. In doing so, they made the media and communication industries central components of modern capitalism.

Along these lines, one of our favorite pieces by Baran and Sweezy was their 1962 written testimony to the British Labour Party's Advertising Commission, headed by Lord John Reith, the iconic former director general of the BBC. The Advertising Commission was established as part of the Labour Party's reconsideration of the use of commercial advertising on British radio and television. Later published in *Science and Society* as "Theses on Advertising," and largely unknown to this day, Baran and Sweezy's testimony took the political-economic arguments concerning the role of advertising in contemporary capitalism, that were later developed in *Monopoly Capital*, and applied them foursquare to understanding media.<sup>8</sup> The analysis of the deleterious effects of advertising on media operations and content, as



well as society as a whole, is powerful and ages well. The piece also suggests that Baran and Sweezy, far from being determinists who thought any struggle for reform was a waste of time unless or until capitalism was overthrown, had a keen sense of the importance of media policy fights in the here and now. The Advertising Commission Report was finally published in 1966, and reflected the views of Baran and Sweezy with respect to the key roles played by oligopolistic markets, the decline of price competition, and the role of "the monopoly power of established firms" in the rise of modern mass media advertising.<sup>9</sup>

In addition, Baran and Sweezy had sensitivity to the importance of technology and its capacity for changing the nature of capitalism and the nature of society that was mostly unrivalled among economists, left, right, and center. Their work placed emphasis on examining those "revolutionary" technologies, like the steam engine, electricity, and the automobile, which provided the basis for capitalist expansion for generations and turned the world upside down in the process. In 1957 Sweezy characterized the United States as being in the midst of a sweeping "scientific-industrial revolution," due to the confluence of the corporate expansion into directing research and the rise of permanent militarism in the 1940s. In a careful review of economic history, contemporary scientific and technological developments, and with a look toward the horizon, Sweezy put the invention of the computer and the emerging communication revolution at the center of a technological revolution that would be every bit as profound as that wrought by the steam engine. To those who found this hypothetical, if not preposterous, Sweezy responded: "Come back in another thirty years. The transformation of society implicit in the new technologies will then be in full swing and you will be able to see signs of it on every hand."<sup>10</sup>

Yet, to read *Monopoly Capital* one was left, somewhat paradoxically, with little sense that communication per se was of much interest to its authors.

This changed in 2011 when we discovered a missing chapter written for *Monopoly Capital* on culture, communications, and mental health, "The Quality of Monopoly Capitalist Society II."<sup>11</sup> This chapter was originally drafted by Baran and was later edited and revised by Sweezy following the death of his coauthor. It had been intended as the penultimate chapter of *Monopoly Capital*.<sup>12</sup> Baran tragically died of a heart attack in March 1964 with a planned redrafting of this chapter undone. Sweezy was therefore left with the task of editing and completing the chapter, to which Baran had meant to add more material related to the mental health section, which was only loosely related to the culture section. Sweezy worked extensively on the chapter in November 1964 and perhaps later, editing the manuscript, cutting out considerable material from the original draft, and adding some new material related to communications. He gave this later version the title "The



Quality of Monopoly Capitalist Society: Culture and Mental Health." In the end, however, he elected to leave it out of the book, recognizing that there were issues that the two of them had not sufficiently worked out together.<sup>13</sup>

But when we read this missing chapter, we immediately saw that the portion on culture was based on serious research and important theoretical insights. It also demonstrated a commitment to a "political economy of communication" before the field had even crystallized and far beyond what anyone, including ourselves, had imagined possible. It also provided a quite different perspective on Baran and Sweezy's goals for *Monopoly Capital*. Focusing on monopoly capital's creation of a mass society culture, it was in some respects intended to be the logical culmination of the book's argument. Its point was to provide an understanding of the political culture of monopoly capitalist society, and the implications for radical social change. Consequently, we have decided to publish the first two-thirds of this missing chapter for the first time in this issue, excluding the last third on mental health and re-entitling it "The Quality of Monopoly Capitalist Society: Culture and Communications."

Our motivation in publishing this piece is more than antiquarian. As we reviewed the work of Baran and Sweezy on culture and communication, as well as other pieces that appeared in *Monthly Review* in the late 1950s and '60s, it became clear that the missing culture chapter in *Monopoly Capital* was not an isolated occurrence nor an anomaly, but, rather, part of a broader emerging intellectual school. We discovered that some exceptional related work was done during this period by several major radical and Marxist intellectuals—people like C. Wright Mills, Herbert Marcuse, E.P. Thompson, Ralph Miliband, Eric Hobsbawm, and Raymond Williams, who were in regular communication with each other. All of these thinkers contributed to the critique of the cultural apparatus.

Mills, Miliband, and Williams, in particular, were all close to Sweezy and *Monthly Review* in this period. A key section of Mills's *The Sociological Imagination* (1959) was published first in *Monthly Review*.<sup>14</sup> Upon Mills's death, it was Miliband who wrote the memorial piece for *Monthly Review*.<sup>15</sup> As for Williams, he confided to Thompson in the 1960s that while he belonged to no faction or section, he "felt closest to the American *Monthly Review*."<sup>16</sup> Williams's 1960 article for *Monthly Review* was incorporated in his book *The Long Revolution*, while Miliband's early articles in *Monthly Review* undoubtedly influenced his *Parliamentary Socialism* (published in the United States by Monthly Review Press).<sup>17</sup>

On the one hand, the work of this period demonstrates a creative and open-minded Marxism or radical social criticism that embraced the issue of communication and plunged into the problems it posed for social theory. It animated much of what would be most impressive about the New Left that

was about to explode into prominence. On the other hand, the examination of communication gravitated from criticism of the deleterious effects of capitalist culture to being concerned with the politics of culture, and how control of communication systems was becoming a necessary political battlefield for the democratic left. As early as 1961, Thompson observed: "The task of creating an *alternative* means of communication has, from the start, been a major preoccupation of the New Left."<sup>18</sup> In this sense these works anticipated many of the issues that concern the left today and the approach offers a clarity and insight that has considerable value for activists worldwide.

For that reason we decided it best not only to publish the missing chapter on culture from *Monopoly Capital*, but also to reprint a handful of related works on culture and communication from this period, by authors who were working along similar lines. In this introduction we will provide context for the times and the issues, as well as an explanation for the pieces we have elected to include. As we will suggest at the end of this introduction these works can be seen as providing some of the crucial foundations for a political economy of the media, helping us to construct the critical responses we need today in the age of the Internet, social media, and the ongoing attempts in Latin America and elsewhere to repossess the cultural apparatus of society.

### Brecht, the Frankfurt School, and the Concept of Cultural Apparatus

In retrospect, the basis of Baran's, if not Sweezy's, concern for and awareness of culture and communication issues is obvious. Baran worked as a researcher under Friedrich Pollock, the associate director of the Institute for Social Research in Frankfurt, before fleeing Germany in 1933, following Hitler's accession to power. His experiences and associations in Frankfurt were to exert a strong influence on his writing; so much so that he is sometimes characterized as the foremost political economist associated with the Frankfurt School.<sup>19</sup> During the 1950s and early '60s, when he was a professor of economics at Stanford, Baran met with and corresponded with other figures whom he had known at the Institute for Social Research in Frankfurt in pre-Hitlerian Germany, such as his close friends Herbert Marcuse and Leo Lowenthal, and kept up with the writings of Erich Fromm, Max Horkheimer, and Theodor Adorno.<sup>20</sup>

Central to the Frankfurt School's concerns was the relationship of mass culture to politics and social change. Baran read widely and carefully in this area, and it was his passion for the subject that likely was the impetus for the prospective chapter in *Monopoly Capital*. He approached culture and communication as encompassing art, literature, entertainment, education, media, and the role of intellectuals.<sup>21</sup> His main concern was the undermining of affirmative culture, as a necessary form of human development, due to the relentless process of commodification promoted by monopoly capital. As he

stated in 1950:

We have to understand the ideologically overpowering impact of bourgeois, fetishistic consciousness on the broad masses of the working population.... The heart-breaking emptiness and cynicism of the commercial, competitive, capitalist culture. The systematic cultivation of devastatingly neurotic reactions to most social phenomena (through the movies, the "funnies," etc.). The effective destruction in schools, churches, press, everywhere, of everything that smacks of *solidarity* in the consciousness of the man in the street. And finally, the utterly paralyzing feeling of solitude which must overcome any one who does not want to conform, the feeling that there is no movement, no camp, no group to which one can turn.<sup>22</sup>

In Baran's view, commodified culture comes to play a preeminent role under monopoly capitalism. The overarching critique is of the massive and growing gap between the actual quality of culture in the United States and what the society is capable of producing. This gap is both cause and effect of the absurdity of monopoly capitalism and evidence of its increasing destructiveness. It is a political-economic critique because it assesses the cause of the gap as being the capitalist nature of society and, more specifically, the capitalist nature of the "cultural apparatus." Baran and Sweezy took seriously the close examination of the structures of media and communication industries.

It was the concept of the cultural apparatus, derived from Bertolt Brecht, Fromm, Horkheimer, Marcuse, and Mills, that formed the central organizing principle in Baran's drafting of the discussion of culture and communications in *Monopoly Capital*. The earliest outlines for "The Quality of Monopoly Capitalist Society II" chapter had it covering the realms of the "mass media" and "mental health."<sup>23</sup> Baran was to transform this, however, into a treatment of specific media, particularly book publishing and broadcasting, as manifestations of what he and Sweezy called the development of "the cultural apparatus of monopoly capitalism." Indeed, their analysis in the missing chapter printed below begins and ends with the concept of the cultural apparatus.

To understand the significance of this it is important to know something of the history of this crucial Marxian concept. The notion of the cultural apparatus owed its centrality in Marxian theory primarily to the work of Brecht beginning in 1932 (see Eleanor Hakim's article in this issue).<sup>24</sup> Brecht saw what he referred to as the cultural "apparatus" or means of production and of technical control of cultural processes as applying to every realm of cultural production, such as the theatre, opera, radio, book publishing, and film. The crucial problem of the artist, who did not control

the cultural apparatus in capitalist society, was then to find ways to gain control or to subvert the apparatus in order to promote critical, dialectical, and revolutionary ends. However, Brecht was under no illusions and in his view the dominant role of the cultural apparatus in bourgeois society was to reinforce existing power relations. As Rowitha Mueller has stated: "Thus the terminology itself points up the connection between culture and politics." In Brecht's view, the cultural apparatus functions, among other things, to stabilize the existing social relations both politically and economically. He "saw this in terms of a selection process: 'Society absorbs via the (cultural) apparatus whatever it needs in order to reproduce itself.'"<sup>25</sup>

In Brecht's view artists and intellectuals are not masters of the cultural apparatus, but rather their work is completely subordinated to it and capitalist objectives, and thus placed "out of their control." "The intellectuals...are completely dependent on the apparatus, both socially and economically; it is the only channel for the realization of their work. The output of writers, composers and critics comes more and more to resemble raw material. The finished article is produced by the apparatus." The capitalist order got in "the habit of judging works of art by their suitability for the apparatus without ever judging the apparatus by its suitability for the work." The result naturally was that "[cultural] work amounts to so much merchandise, and is governed by the normal laws of merchandise trade. Art is merchandise, only to be manufactured by the means of production (apparati)."<sup>26</sup>

Brecht concretely explored various forms of the cultural apparatus— theatre, radio, film—with the idea of carrying out a kind of guerrilla war that would end up appropriating them for purposes of revolutionary change. He believed that ultimately "the socialization of these means of [cultural] production" was "vital for art." The goal then was to develop strategic approaches to asserting control over the various apparati, which were currently "wholly capitalist." This required empirical research and a deep understanding of the various ways in which the artist and intellectual could employ leverage. Brecht's drama was explicitly designed to subvert the apparatus of the theatre in this way. As he wrote: "When I read Marx's *Capital* I understood my plays."<sup>27</sup>

The artist and the intellectual in this perspective had a crucial role to play in the struggle over the cultural apparatus that was so vital to society. In Brecht's plays this took the form, to use a phrase of Baran's, of "the confrontation of reality with reason," through various dialectical devices. Brecht employed the concept of "inplotation" (a kind of reverse or internalized exploitation) to describe the complex, contradictory role of the consumer of the products of the cultural apparatus, who was simultaneously both a victim and a kind of complicit exploiter in the context of the struggle of the cultural producer or artist with the owners.<sup>28</sup> The role of the artist and

intellectual as revolutionary was to reestablish the relationship between the consumer and producer of cultural work by undermining the estrangement from human needs and capacities enforced by the bourgeois society.

As Walter Benjamin, who was enormously influenced by Brecht, argued, the question of "the author as producer" was not so much a question of the "position [of the artist's work] vis à vis" the various forms of the cultural apparatus, as "what is its position *within* them?" The fundamental problem in cultural change then became "adapting the apparatus to the ends of the proletarian revolution."<sup>29</sup>

Brecht argued that the struggle over the cultural apparatus was not confined to those forms such as film and broadcasting that were new, but extended to the entirety of communication forms, all of which were being increasingly mechanized, commodified, and transformed. This included traditional forms such as printed books and the theatre. "The changes wrought by time leave nothing untouched, but always embrace the whole." A crucial aspect of this was "the mechanization of literary production," which could not "be thrown into reverse." The goal then has to be to refunctionalize or reconstruct the existing cultural apparatus to prevent these increasingly complex media from being removed further and further from the development of human needs and capacity and "the new possibilities of communication."<sup>30</sup>

The concept of the cultural apparatus played a formative role in the work of the Frankfurt School. As early as 1932 it occupied a central place in Fromm's article, "The Method and Function of an Analytic Social Psychology"—published in the *Zeitschrift für Sozialforschung* and seen as the foundational work integrating historical materialism and psychoanalysis. As Axel Honneth explained the importance of this piece: "Within the intellectual circle of the Institute for Social Research, Fromm was entrusted with the task of working out a psychology that could be linked with economics without any fissure."

Fromm wrote that "the creation of the [governing] norms" in society was "not left to chance," but rather that "one whole basic part of the cultural apparatus serves to form the socially required attitude in a systematic and methodical way." The "cultural apparatus" was depicted as driving, in the language of psychoanalysis, the "libidinal structure of society"—or what Fromm later called "social character"—channeling it so that it was no longer a threat to the status quo. With respect to the working class, the cultural apparatus played a key role in forming what Fromm termed the social cement meant to counter the effects of alienation.<sup>31</sup>

Writing in a similar vein in 1936 in *Authority and the Family*, Horkheimer discussed how revolutionary periods remove some of these cultural controls depriving them of power, while in periods of restoration and reaction an "outmoded cultural apparatus as well the psychic makeup of men

and the body of interconnected institutions acquire new power. Then there is a need to investigate the culture thoroughly." As a structure of power the cultural apparatus seeks to bond the population to the status quo by means of the promotion of particular ideas and ways of life, which are internalized within the psyche. In Horkheimer's words:

One function of the entire cultural apparatus at any given period has been to internalize in men of subordinate position the idea of a necessary domination of some men over others, as determined by the course of history down to the present time. As a result and as a continually renewed condition of this cultural apparatus, the belief in authority is one of the driving forces, sometimes, productive, sometimes obstructive, of human history.<sup>32</sup>

But it was in Marcuse's "33 Theses" (written in 1947 and found in draft form in Horkheimer's archives, appearing only posthumously in Marcuse's *Collected Works*) that the issue of "the cultural apparatus of monopoly capitalism" was first raised. There Marcuse wrote, in thesis 15:

The phenomenon of cultural identification demands that the problem of "cultural cement" (*Kitt*) be discussed upon a broader basis. One of the most important factors involved here is the leveling of the former avantgarde-oppositional forces with the cultural apparatus of monopoly capitalism (the transformation and application of psychoanalysis, modern art, sexuality, etc. in the work and entertainment process). First and foremost the effect of "*Kitt*" within the working class should be investigated: "scientific management," rationalization, the interest of the worker in increased productivity (and with it, in the intensification of exploitation), strengthening of nationalistic sentiments.<sup>33</sup>

The concept of cultural cement, as articulated by Marcuse here, followed Fromm and Horkheimer. For Horkheimer it was this cement that was at all times the crucial object of analysis, since it "artificially held together the parts tending towards independence."<sup>34</sup> The intent of Marcuse's fifteenth thesis was to underscore the necessity of empirically researching how this cementing of workers to the dominant order was actually accomplished (in contradictory fashion) by the cultural apparatus of monopoly capitalist society.

This reflected the central problem governing the research program of the Frankfurt School. As Honneth has put it,

A major portion of the theoretical construction and social research of the Institute during the 1930s was an attempt to provide an empirical answer to the problem expressed in this tension [between exploitative socioeconomic conditions and cultural stability]. Its guiding motif is formed by the question "What psychic mechanisms have come about that

enable the tension between the social classes to remain latent, even though it borders on conflict as a result of the economic situation?" The program of an interdisciplinary social science, outlined by Horkheimer at the beginning of the 1930s, is tailored to the investigation of this phenomenon.<sup>35</sup>

Fromm was later to describe the "cultural apparatus" as a "filter" conditioning what entered society's "social unconscious."<sup>36</sup> As he wrote in *The Sane Society* in 1955 (a book that strongly impressed Baran): "Eventually, he [the alienated industrial worker] is under the influence of our whole cultural apparatus, the advertisements, the movies, television, newspapers, just as everybody else, and can hardly escape being driven into conformity, although perhaps more slowly than other sectors of the population."<sup>37</sup>

### Mills, Thompson, and Williams

Similar considerations led Mills, beginning in the late 1950s, to commence writing what was to be a major but never completed work, left unfinished at his untimely death—entitled *The Cultural Apparatus*. The historically specific context of Mill's entry into this sphere is powerfully described by Stanley Aronowitz:

Mills had come to the conclusion that it was not the economy or even self-interest in general that drove contemporary social agents to action or inaction. Mills concluded that in the epoch of what he termed "overdeveloped" capitalism, the masses were moved more broadly by "culture" than reason. He had become convinced that the cultural apparatus played a central role in reproducing the entire "set-up." But it is not the anthropological conception of culture—a whole way of life—that he believed determined politics or secured the domination by the leading institutional actors. Mill's invocation of the cultural apparatus...signaled that culture was no longer the spontaneous creation of the people but instead was an aspect of the organization and reproduction of social and political domination. If social transformation was at all possible, its protagonists were obliged to understand the process of production and distribution of key cultural forms, especially the mass media. Clearly, the implication of his projected study was to argue for a new counterhegemonic strategy of the Left that matched the force of the culture industry.<sup>38</sup>

Mills delivered three university lectures at the London School of Economics (LSE) in January 1959, utilizing a manuscript entitled *The Cultural Apparatus, or The American Intellectual*. These three lectures were later published as "Culture and Politics: The Fourth Epoch," "The Cultural



Apparatus," and "The Decline of the Left." Together they constitute the main extant materials of his projected book on *The Cultural Apparatus*—left behind at the time of his death by heart attack at age forty-five in 1962.

Mills did not get very far in this unfinished work in defining what he actually meant by the cultural apparatus. His approach was broader and more obscure than the way the concept was being used in Marxist theory, where it was essentially equivalent to the cultural means of production including the technical means themselves. In contrast, Mills used the notion of cultural apparatus somewhat ambiguously in terms of "observation posts, interpretation centers, and presentation depots" and went on to say that it was "composed of all the organizations and milieu in which artistic, intellectual, and scientific work goes on." His emphasis was more on processes than on structures, allowing him to emphasize agency, namely the intellectual—to the point that he could say that "I have been studying, for several years now, the cultural apparatus, the intellectual—as a possible, immediate radical agency for change."<sup>39</sup> This tended to downplay the power dimension, reducing the question of the cultural apparatus itself to the question of the intellectual, of agency—rather than emphasizing the dialectical relation between cultural producer and the capitalist cultural apparatus as in Brecht and the Frankfurt School. Nevertheless, Mills went on to make the critical point that,

What intellectuals now confront is the expropriation of their cultural apparatus itself. We do not have access to the means of effective communication, but more than that, many of us are losing control of the very means of cultural production itself. The situation of the serious movie-maker—is not this the prototype of all cultural workmen? We are cut off from possible publics and such publics as remain are being turned into masses by those businessmen or commissars who do control and manage the effective means of communication. In their hands, these are often less means of communication than means of mass distraction.... What we ought now to do is repossess our cultural apparatus, and use it for our own purposes.<sup>40</sup>

Mills's approach had a big impact on the New Left Marxists in Britain. Thompson attended the last of Mills's three LSE lectures on the cultural apparatus, and called it "absolutely splendid."<sup>41</sup> But there was friendly criticism from a Marxist standpoint. In a long letter to Mills, Thompson wrote: "You argue that intellectual workers must repossess their cultural apparatus and use it for their own purposes. In what sense have they ever possessed it?"<sup>42</sup> For Thompson it was not a question of repossession of the cultural apparatus but of the construction of a left cultural apparatus. "The problem presents itself," he wrote in 1959, "as one of constructing (however painfully slow the process may seem—though steady progress is being made)

an *alternative* 'cultural apparatus' which bypasses the mass media and the party machinery, and which opens up direct channels between significant socialist groupings inside and outside the labour movement." Thompson was deeply involved in communications issues in the late 1950s and early '60s, and submitted a memorandum (as did Raymond Williams) to the 1960 Committee on Broadcasting (the Pilkington Committee); the Pilkington Report was presented to Parliament in 1962.<sup>43</sup>

Williams shared with Mills and Thompson a concern to translate the critique of the cultural apparatus into a political strategy and program for the left. The starting point for his analysis was "the subordination of a general communications process to an increasingly powerful system of advertising and public relations."<sup>44</sup> In 1961 Williams argued that,

Instead of the ritual indignation and despair at the cultural condition of "the masses" (now increasingly uttered even by their supposed friends) it is necessary to break through to the central fact that most of our cultural institutions are in the hands of speculators, interested not in the health and growth of society, but in the quick profits that can be made by exploiting inexperience. True, under attack, these speculators, or some of them, will concede limited policies of a different kind, which they significantly call "prestige" that is to say, enough to preserve a limited public respectability so that they will be allowed to continue to operate. But the real question is whether a society can afford to leave its cultural apparatus in such irresponsible hands.... We should be much clearer about these cultural questions if we saw them as a consequence of a basically capitalist organization, and I at least know no better reason for capitalism to be ended.<sup>45</sup>

Again it was Thompson who asked the hard question, observing in 1961 that Williams had failed to consider "the contrary problems of 'utopia'...and of an intellectual tradition associated with social groups opposed to established interests—which must make its way without the benefit of institutions or cultural apparatus of its own, and which is exposed to the dangers of sectarian aridity or of losing its best men in the institutions of the 'other side.'"<sup>46</sup> Indeed, it was Thompson's lifetime struggle as a historian (in works such as *The Making of the English Working Class*) to show how the working class in England had sought to construct its own class consciousness and culture, despite its exclusion from the dominant cultural apparatus, i.e., the main means of intellectual production of the society.<sup>47</sup>

### **Toward a Wider Political Economy of Communication: The 1960s Critique**

This was the state of the discussion in 1962 when Baran first set about drafting the analysis of culture and communications for *Monopoly Capital*.

Baran and Sweezy's intention in this penultimate chapter of their book was to uncover the way in which the cultural apparatus of monopoly capitalist society was increasingly owned and controlled by the vested interests, undermining the critical and "intellectual side of civilization" and the possibilities for effective social change. Both the publishing and broadcasting industries, they wrote, demonstrated "the striking extent to which culture has become a commodity, its production subject to the same forces, interests, and motives as govern the production of all other commodities."<sup>48</sup>

Their analysis focused on "the cultural industries" as distinct forms of production, which as they "moved from handicraft to mass production" increasingly fell "under the sway of corporate business" geared to maximum profits and catering "to all the frailties and weaknesses of human nature." Under monopoly capitalism "cultural output...turned into its opposite," embodying a further fracturing of human reason and human action, and impeding rather than enhancing human development and historical change.<sup>49</sup>

Noting that book publishing had already lost out to newspapers and magazines as the "predominant form of reading," Baran and Sweezy nevertheless insisted on its "unique importance in society's cultural apparatus." From their experience, literacy, and access to literature and a broad range of political books were foundational to popular democratic politics. They were aware that progressive U.S. government policies and subsidies in the 1940s aimed at increasing literacy and expanding the publication and distribution of books had proven highly effective. They also were unsurprised that Senator Joseph McCarthy had singled these policies out as pro-Communist and anti-American.<sup>50</sup> Indeed, Leo Huberman, Sweezy's coeditor at *Monthly Review*, had been subpoenaed in 1953 by McCarthy's own Senate Committee due to the inclusion of several of his books in the State Department's overseas libraries. Huberman defiantly told the McCarthy committee: "A manifesto voted by the American Library Association on June 25, [1953] and concurred in by the American Book Publishers Council, opens with these words: 'The freedom to read is essential to our democracy. It is under attack.' Everyone knows that the main attacker is this committee of Congress and its chairman."<sup>51</sup>

Baran and Sweezy also saw firsthand that the changing nature of the book industry meant that the broad range of critical books that had proliferated in the 1930s and '40s were becoming a thing of the past.<sup>52</sup> Without policies pushing in a different direction, the commercial book publishing industry was undergoing enormous expansion, and although still "highly competitive," characterized by decreasing rather than increasing profit margins, was rapidly becoming more and more concentrated, taking on the character of an "emerging oligopolistic...industry."

The mass-production and concentrated nature of the industry meant that

books were more and more standardized and sold in the same manner as cars or cosmetics. This affected content, leading those who controlled the book-publishing apparatus to emphasize: (1) conformist views (albeit a sophisticated conformity that could include severe criticisms of the status quo as long as they did not extend to the underlying structures or the possibility of radical actions); (2) selectivity in issues discussed (problems of sex, individual psychology, and even race were more admissible than the questioning of the economic and social order); (3) a focus on celebrities; and (4) imitation of new successful fashions.

From there Baran and Sweezy went on to examine the character and content of the leading best-selling books, from religious books, to cookbooks, to crime and detective novels, to general best-selling novels. They also included a short discussion of comic books. The general conclusion pointed to the "steady and methodical debasement of the book itself over the last few decades. Transferring to the sale of books the methods used in marketing 'sex apparel' and cosmetics, of liquor and cigarettes and nostrums of all kinds, undermines all respect for literary work, and annihilates the book as a cultural medium."<sup>53</sup>

They paid close attention to the best-selling books of Mickey Spillane—six of which belonged to the top fifteen best sellers of the twentieth century—and his vigilante-murderer hero Mike Hammer. Spillane's anti-communism was used frequently to justify his bloodlust and sadism, leading him to have Hammer declare at one point: "But some day, maybe, some day I'd stand on the steps of the Kremlin with a gun in my fist and I'd yell for them to come out and if they wouldn't I'd go in and get them and when I had them lined up against the wall I'd start shooting until all I had left was a row of corpses that bled on the cold floors and in whose thick red blood would be the promise of a peace that would stick for more generations than I'd live to see."<sup>54</sup> Spillane's best sellers were the perfect counterparts to the McCarthy era.

For Baran and Sweezy, Spillane was only an extreme example of the degradation of the mass distribution novel in which an artist's concern with "the representation of individual and social conflicts, of human passion, joy, and suffering," and had been replaced by books providing "a minute account of the hero's (frequently improbable) overt behavior without any attempt at the discovery, elucidation, and comprehension of the underlying causes and motivations. The purpose is merely to thrill."

Under monopoly capitalism, Baran and Sweezy argued, the cultural apparatus increasingly controlled the artist, "with the writer becoming more pronouncedly an employee of the publishing corporation and his independence increasingly turned into a sham." A few individual artists of course managed to struggle with this cultural apparatus and by various means transcend it. But the general tendency towards conformity and degradation

within book publishing was not to be denied.

As Hobsbawm observed in a similar way in the *Times Literary Supplement* in 1964:

The economic facts are conclusive. The professional writer of books is in the position of the hand-loom weaver after the intervention of the power loom: two thirds or three quarters of his profession can earn less than a typist's income, and the number of writers who can live entirely by the sales of their books would fit into a single, not excessively large room....In certain branches of literature, such as utilitarian fiction, craft productions can persist, not only because the demand for it is smaller, more lasting and more intermittent, but also because the market can rely on large quantities of casual, part-time labour and the readiness of professional writers to turn themselves into hacks.<sup>55</sup>

Television broadcasting, in contrast, though a far younger cultural apparatus, was not an emerging oligopoly, as in book publishing, but had already been established by government policies as a tight oligopoly. It was here that Sweezy in his work at *Monthly Review* had written two essays on American television with Huberman in 1958 and 1959. The first of these, published in April 1958, was a critique of the Federal Communications Commission (FCC), and its role in facilitating the concentration of broadcast media: both radio and television. The licensing of television stations, the facilitation of the dominance of oligopoly, the deliberate squealing of competition, and the handing out of the airwaves for free to particular corporations (which Huberman and Sweezy compared to the handing out of western lands to the railroads in the nineteenth century) constituted an enormous "swindle" on the public, and the basis of monopoly capital in this area. The fact that this was often accompanied by outright corruption was not surprising. Profit margins from television they showed had been strong and increasing, reaching 22 percent by 1956. Sweezy and Huberman dug into the financial data of the television industry as few if any other scholars had ever done before, and systematically debunked the notion that regulation of private economic power in the public interest could ever be effective under monopoly capitalism; instead the only logical solution if one desired democratic media in the public interest was social ownership.<sup>56</sup>

However, by the early 1960s it was already clear that the dominance of the three great networks had created a "tightly controlled oligopoly" in television.<sup>57</sup> Baran and Sweezy, who presented their "Theses on Advertising" to the Labour Party's Advertising Commission in 1962, the same year that Baran first drafted their treatment of culture and communication for *Monopoly Capital*, were under no illusion about what drove television broadcasting. They quoted 20th Century Fox Television President Peter

Levathes's statement that "The sponsor buys a show to sell his product. That is the basic purpose of TV. To sell someone's product." The logic of this was clear. Monopoly capital (encompassing corporations as a whole and more specifically the TV networks and stations) was "interested in maximizing sales and profits by reaching the widest possible audience." This created the conditions for what FCC Chairman Newton Minow referred to in 1961 as "a vast wasteland" in the realm of television programming.

This "wasteland" was exposed for all to see in the 1959 quiz show scandal, which demonstrated the corrupt and mendacious way in which television broadcasting was organized with the aim of duping the public, and the moral and intellectual degradation of its content as a result. This was the basis for Huberman and Sweezy's second *Monthly Review* media piece on "The TV Scandals" in December 1959. The problem, they argued, lay not simply in moral decline, as so many commentators argued, but in a system that enforced such moral decline. "Can you imagine," they asked, "a morally responsible campaign to sell a remedy for 'tired blood'? A fantastic example perhaps? Not quite—it just happens to have been the product that Charles Van Doren was selling by his great intellectual feats on 'Twenty-One'" —the quiz show at the center of the "TV scandals." The whole point, they went on to argue,

was put in a nutshell by Professor Seymour E. Harris, Chairman of the Harvard economics department, in an article entitled "Can We Prosper Without Arms?" which appeared in the *New York Times Magazine* of November 8th: "A high rate of investment would increase the nation's productive capacity.... But our private economy is faced with the tough problem of selling what it can produce. This is the reason for Madison Avenue." Quite so, and it is also the reason why neither Madison Avenue nor the [corporate] clients of Madison Avenue can afford the luxury of integrity or moral responsibility.

Adam Smith argued, with some degree of cogency for his day, that if everyone pursued "his" own private interests "he" would be led, "as if by an invisible hand," to serve the public interest. Nothing could be further from the truth today. When the giant corporation pursues its own private interests—as it must by the very law of its being—it is led by a not so invisible hand to degrade and corrupt the moral standards of a public which is completely dependent upon it not only for jobs and material goods but also for the "food of the mind." This is the plain lesson of the "TV scandals."<sup>58</sup>

Huberman and Sweezy went on to argue for:

the creation of a nationwide, government-owned radio-television network under an authority representative of the best elements in the worlds of education, the arts, and entertainment. That this is no revolutionary

proposal goes without saying. Both Britain and Canada have long had government-owned networks, and in both cases they were founded by conservative governments. Their performance has been infinitely superior to that of the private American networks. *The creation of an American counterpart should become one of the leading demands of everyone who recognizes the seriousness of the present situation and understands the futility, or worse, of relying on the TV industry or its man Friday, the Federal Communications Commission, to initiate and carry through serious reforms.*<sup>59</sup> [our emphasis]

Huberman and Sweezy (together with Baran) thus followed Brecht, who contended that “the socialization of these means of [cultural] production is vital for art” and the development of communication.<sup>60</sup>

In their later analysis of the quiz show scandal in their chapter on culture, Baran and Sweezy referred to the sordid details exposed in the Congressional investigations, which showed that all elements of the television industry were caught up in the scandal. They responded not by calling for greater regulation, but by turning to the British government’s 1962 *Report of the Committee on Broadcasting* (the Pilkington Report), which engaged in serious critique of the TV fare in the United States, and which characterized it—pointing to westerns—as containing “excessive violence and sadism.” The Pilkington Report recommended an expansion of the BBC’s role in television at the expense of further development of private programming—i.e., of the Independent Television Authority, with its channel Independent Television (ITV) set up in 1955 as a commercial competitor to the BBC.<sup>61</sup>

In Baran and Sweezy’s view there was no effective form of regulation of the content of commercial broadcasting since:

It is not the particular form of swindle and deception that is important but the basic fact that it is swindle and deception that incessantly fill the air.

The dominance of the lie is not confined to explicit advertisements. The lie also permeates most of the television day. The world presented on TV is not the real world with its conflicting interests, its irrationalities, its destructive tensions, but also with its unending struggles and tremendous potentialities for betterment. It is an artifact which conjures up a tendentious, utterly misleading image of reality.

For Baran, who was a devoted reader of Kafka, the lesson to be drawn was clear. As Kafka wrote in *The Trial*: “‘No,’ said the priest, ‘it is not necessary to accept everything as true, one must only accept it as necessary.’ ‘A melancholy conclusion,’ said K. ‘It turns lying into a universal principle.’”<sup>62</sup> Quoting Adorno, Baran and Sweezy referred to the dulling of the “capacity for life experience” promoted by most television broadcasting. In



this respect "television and other mass media," they wrote, "contributes to a crippling of the individual's mental and emotional capabilities. By helping to instill in him a phantasmagoric image of existence it disarms him on the social and the individual plane." Worse still it gave rise to cynicism, and a sense that public life is a fraud, while undermining any sense that this is open to change.

Unfortunately, "the increasing awareness of the falsehood of what is conveyed by society's cultural apparatus," they noted, "does not result in a heightened search for truth, reason and knowledge, but rather in the spread of disillusionment and cynicism." Turning to Engels's description of ideology as "false consciousness," they interpreted this in a sophisticated fashion as including "a partial, biased view of reality, half truths, reflecting some important aspects of it without encompassing its totality." What was effectively foreclosed by this ideology was "the existing and expanding possibilities for a different more rational, more human existence." Indeed, they argued that "the cultural apparatus of monopoly capitalism," was aimed at the opposite end of making "people accept what is, to adjust to the tawdry reality and to abandon all hopes, all aspirations for a better society."

The political implications of the missing chapter are therefore decidedly despondent about the prospect of social change in the United States, or any other nation with a similar political and cultural apparatus. The reasons for this were readily apparent. Not only had the Progressive Party disappeared in the United States and with it much of the effective remnants of the New Deal Coalition, but also by the early 1960s the days of meaningful parliamentary socialism in Britain had essentially come to an end, as recounted at the time by Williams and Miliband in the pages of *Monthly Review*.<sup>63</sup> As Miliband commented on Mills's frequent despondency at the same time: "Often, particularly in his last years, the 'politics of truth' which he advocated sounded more like the politics of despair. Hopelessness is a weakness in a social scientist, almost as grave as mindless unconcern or the cultivation of the fixed grin."<sup>64</sup>

Baran and Sweezy's position can be compared to that of Marcuse in his well-known work, *One Dimensional Man*, published in 1964. In the introduction, Marcuse stated that the main characteristics of the "one-dimensionality" of monopoly capitalist society were easily ascertainable if one were merely to subject oneself to "looking at television or listening to the AM radio for one consecutive hour for a couple of days, not shutting off the commercials, and now and then switching the station."<sup>65</sup>

The dilemma was the Brechtian one. In Marcuse's words (paraphrasing Brecht): "The contemporary world can...be represented only if it is represented as subject to change." The current formally "rational universe" of monopoly capitalism was such that it "by the mere weight and capabilities of its [cultural] apparatus, blocks all escape." It invalidated "the cherished

images of transcendence by incorporating them into its omnipresent daily reality." Marcuse ended his book by holding out the thin hope that "the spectre is there again, inside and outside the frontiers of the advanced societies.... The chance is that, in this period, the historical extremes may meet again: the most advanced consciousness of humanity, and its most exploited force."<sup>66</sup> Nevertheless, Marcuse's *One-Dimensional Man* was a deeply pessimistic book, centering on the containment and assimilation of the forces of social transformation as a result of the technical and cultural apparatus of late capitalist society.<sup>67</sup> "The legendary revolutionary," Marcuse wrote, "still exists who can defy even television and the press—his world is that of the 'underdeveloped' countries."<sup>68</sup>

Baran read Marcuse's book in manuscript in October 1963, in the midst of working on *Monopoly Capital*.<sup>69</sup> Marcuse's work had a profound effect on him. But Baran was also uncomfortable with the pessimistic conclusion that Marcuse's arguments reached. Baran thought the matter so important that rather than allowing this to affect the analysis of *Monopoly Capital* directly, he proposed to Sweezy that they take up this challenge in their next book. In an extraordinary letter to Sweezy on October 10, 1963, Baran went directly at the existential challenge of Marcuse's analysis to Marxist theory and socialist politics:

After having...shown how monopoly capital creates the muck that surrounds us on all fronts, we will have placed *this* part of the story "on the record" [in *Monopoly Capital*]. What is at the present time at issue and indeed most urgently so is the question whether the Marxian dialectic has broken down, i.e., whether it is possible for Scheisse [shit] to accumulate, to coagulate, to cover all of society (and a goodly part of the related world) *without producing the dialectical counter-force* which would break through it and blow it into the air. *Hic Rhodus, hic salta!* If the answer is affirmative then Marxism in its traditional form has become superannuated. It has predicted the misery, it has explained full well the causes of its becoming as comprehensive as it is; it was in error, however, in its central thesis that the misery generates itself the forces of its abolition. I have just finished reading Marcuse's new book [*One-Dimensional Man*] (in MS) which in a laborious kind of a way advances this very position which is called the Great Refusal or the Absolute Negation. Everything is *Dreck* (filth): monopoly capital and the Soviet Union, capitalism and socialism as we know it; the negative part of the Marx story has come true—its positive part remained a figment of imagination. We are back at the state of the Utopians pure and simple; a better world there should be but there ain't no social force in sight to bring it about. Not only is Socialism no answer, but there isn't anyone to give that answer anyway. From the Great Refusal and the Absolute Negation

to the Great Withdrawal and the Absolute Betrayal is only a very short step. I have a very strong feeling that this is at the moment in the center of the intellectuals' thought (and sentiment)—not only here but also in Latin America and elsewhere, and that it would be very much *our* commitment to deal with it.... What is required is a cool analysis of the entire situation, the restoration of a historical perspective, a reminder of the relevant time dimensions and much more. If we could do a good job on that—perhaps only a shortish booklet of less than 200 pages—we would make a major contribution and perform with regard to many a truly “liberating” act.<sup>70</sup>

Baran thus proposed to put into a restored historical context the apparent crisis of Marxism represented by the decoupling of social consciousness and agency from material contradictions and potentials. The perspective would have remained the critique of monopoly capital, but it would have required as an integral part of this critique a direct confrontation with the notion that the cultural apparatus was a permanent and irremovable roadblock to socialist politics, or even democracy. This was the direction that Mills and Williams were also going with their work. As Williams had put it in January 1960 in *Monthly Review*: “The central problem, as I see it, is cultural. The society of individual consumers which is now being propagandized by all the weight of mass advertising and mass publications, needs a new kind of socialist analysis and alternative.”<sup>71</sup>

Baran was moving in a definite direction of extending the cultural critique and merging it with political-economic analysis. However he was unable to work on this project, which he planned to pursue, with or without Sweezy, following the completion of *Monopoly Capital*. On March 26, 1964, while visiting Lowenthal and looking at a copy of Marcuse's just published *One-Dimensional Man* with a glass of brandy in his hand, he suffered his fatal heart attack.<sup>72</sup>

With the decision by Sweezy to leave the chapter on culture out of the published version of *Monopoly Capital*, these struggles of Baran, together with Sweezy, to confront the cultural contradictions of capitalist society, and the existential as well as strategic questions for the political left, were unfinished.

*Monopoly Capital* avoided the pessimism implied in the unpublished culture chapter. Its conclusion, “The Irrational System,” emphasized the tendency of the economic surplus to rise under monopoly capitalism and the necessity of the wasting of this economic surplus, even as human needs remained unfulfilled—pointing to the increasing irrationality of the entire economic and social order. Key to the whole development was the fact that “a tiny oligarchy resting on vast economic power” was “in full control of society's political and cultural apparatus.” Under these conditions “improvements in

the means of mass communication merely hasten the degeneration of popular culture." These were hardly conditions, they reasoned, that could prevail over the long run. Such a system was bound to find itself caught in ever more complex forms of irrationality and destruction. Hence, they concluded that it was only a matter of time until the contradictions of the social order generated forces of opposition that would overwhelm them: "We have reached a point where the only true rationality lies in action to overthrow what has become a hopelessly irrational system."<sup>73</sup>

There were "even indications," they wrote, "especially in the Negro freedom movement in the South, in the uprisings of the urban ghettos, and in the academic community's mounting protest against the war in Vietnam, that significant segments of the American people are ready to join an active struggle against what is being cumulatively revealed as an intolerable social order. If this is so, who can set limits to the numbers who may join them in the future?"<sup>74</sup> But it was the world revolt against capitalism based in the periphery that was the real agent of change, to which the United States, as the chief bastion of monopoly capital, was not in the end immune. Despite the enormous power of the system that controlled the means of production—and along with it the state and the cultural apparatus of society—social struggle was breaking out everywhere in the 1960s, creating the hope that monopoly capitalism would be both besieged and challenged from within.

### The Critique of Culture and the Media in the 1960s

In deciding what to include (or exclude) in this issue directed at the 1960s political-economic critique of the cultural apparatus, we were guided by four main criteria: (1) whether the piece is original and holds value to people confronting politics in the twenty-first century; (2) the synergy with the political economy of the cultural apparatus of monopoly capitalism, as exemplified by Baran and Sweezy's missing chapter; (3) the extent to which the work was influential and part of current discussions; and (4) whether the work has received much (or any) attention since it was written. For example, William's pamphlet on *The Existing Alternatives in Communications* is practically unknown and is fully reprinted here. In contrast, Mills's work on the cultural apparatus, in the form of his three main articles on the subject, is fairly well known and has recently been reprinted, so while discussed in this introduction, it is not reprinted in this issue.

In addition to "On the Quality of Monopoly Capitalist Society: Culture and Communications" (the title given to it here), we are reprinting Baran and Sweezy's aforementioned "Theses on Advertising." Originally given as testimony to the Labour Party's Advertising Commission in 1962, this piece represents a classic exploration of the role of advertising under monopoly capital. Read together with their missing chapter on culture we are left with a

coherent, and surprisingly wide-ranging, critique of culture and communication under monopoly capitalism.

During its first two decades *Monthly Review* was not known for its attention to culture and communication, which contributed to the notion that the editors did not care much about such matters. There were exceptions, though, that provide evidence of an important, critical approach. The two aforementioned critiques of commercial television by Huberman and Sweezy stand out as some of the most original work on media by *anyone* in the late 1950s. Other notable works, included F.O. Matthiessen's "Marxism and Literature" (March 1953), and Leo Marx's "Notes on the Culture of the New Capitalism" (July–August 1959).<sup>75</sup>

*Monthly Review* recognized the deficiency and launched a special supplement in 1965, *Review1*, which was to be a Marxist cultural review. Only a single edition was published. Although *Review1* gathered a lot of interest and was a success in that respect, it soon became clear that that financial and editorial resources did not allow a continuation of the experiment. The third article in this summer issue, following Baran and Sweezy's contributions, draws from *Review1* and is by Eleanor Hakim, the managing editor of *Studies on the Left* (based at the University of Wisconsin) from 1960 to 1963. Hakim's article, "St. Brecht of the Theatrical Stock Exchange" has been excerpted and adapted for this issue from its original version in *Review1*. She discusses Brecht's use of the notion of "cultural apparatus," which he applied, as we noted above, to such varied forms as radio, theatre, and film—and that was to influence the way in which thinkers such as Fromm, Horkheimer, Benjamin, Marcuse, Mills, Williams, Thompson, and Baran and Sweezy would later use the term. As Hakim emphasized, Brecht asked: "Why shouldn't art try, by its *own* means of course, to further the great social task of mastering life?"<sup>76</sup>

The fourth piece in this summer issue is a reprint of a section of Chapter 8 in Miliband's *The State in Capitalist Society* that addresses media. We find this a brilliant summary of the work on media being done in these circles, and what is striking is how Miliband seamlessly integrates a media critique into his analysis of politics under monopoly capitalism, expanding upon the Mills project. In particular, Miliband integrates a sophisticated critique of the media with a focus on the political constraints imposed by the media system. He concludes on a point implicit in all of the other work in this issue: the important ways that the capitalist media system encourages depoliticization in society. And if not always all-out depoliticization, this media system was shown to foster a "climate of conformity," helping to ensure that whatever occurs politically occurs within limits that are consistent with the preservation of the established order.

The fifth and penultimate piece in the issue is a pamphlet by Williams

that was published by the Fabian Society in 1962: *The Existing Alternatives in Communications*. This almost entirely unknown piece drew from his great work, *The Long Revolution* (1961), in which he addressed the question of the cultural apparatus, as well as the first, 1962 edition, of his book *Britain in the Sixties: Communications* (generally called *Communications*).<sup>77</sup> In 1962, Williams was another important figure, alongside Baran and Sweezy, to give testimony to the Labor Party's Advertising Commission, and their analysis clearly concurred on every point.<sup>78</sup> That testimony influences the pamphlet as well. As noted above, Williams had submitted a detailed memorandum to the 1960 Committee on Broadcasting (The Pilkington Committee). His memorandum addressed the entire structure of the broadcasting industry, and may have influenced the 1962 Pilkington Report.

Like Baran and Sweezy, Williams was strongly impressed by the final Pilkington Report, released shortly after the first edition of *Communications*, and discussed it in the second (1966) edition of his book, where he referred to it as "the classical point of reference for all reform in this field."<sup>79</sup>

In *Communications*, Williams defined communications as "the institutions and forms in which ideas, information, and attitudes are transmitted and received," while communication (without an "s") referred to "the process of transmission and reception." Williams argued that the spectacular growth of communications in modern times "have created social problems which seem to be of a new kind." Communication, he argued, joined economics and politics as "equally fundamental" to understanding society. "We have been wrong in taking communication as secondary," Williams wrote. "The struggle to learn, to describe, to understand, to educate, is a central and necessary part of our humanity. This struggle is not begun, at second hand, after reality has occurred. It is, in itself, a major way in which reality is continually formed and changed." This emphasis, he argued, "is exceptionally important in the long crisis of twentieth-century society."<sup>80</sup>

Accordingly, Williams argued that control over communication was of paramount importance, and commercial control of media was a disaster for humanity, not to mention democracy. "The only alternative to control by a few irresponsible men, who treat our cultural means as simple commodities, is a public system." Williams insisted there was an important place for consumer information and advice in a communication system, "but advertising is a very primitive way of supplying it." He recognized the "genuine difficulties" of establishing a public cultural system, but that did not alter his belief in its central and immediate importance as a political project. What was required was "no direct control by government" over content, but nonetheless a strong public role, along with public debate and deliberation over the "actual allocation of resources." He was emphatic that the Old Left model of state monopoly and censorship was no legitimate or attractive alternative. Indeed

the bankruptcy of the Soviet-style system was demonstrated most decisively in its hideous communications structure and policies. Until socialists "can show a convincing alternative, which is free of these dangers," people would have no rational reason to change. "The idea of public service must be detached from the idea of public monopoly, yet remain public service in the true sense. The only way to achieve this is to create new kinds of institution."<sup>81</sup>

In "*The Existing Alternatives in Communications*" in this issue, Williams sums up these points and argues that the Labour Party needs to make reconstruction of the media and communication system a central part of its political program going forward. Implicit in his argument is that the very nature of a socialist regime can be gleaned by assessing its communication system, for that is where the rubber hits the road and the commitment to genuine democracy moves from words to practice. In Williams' view, what was essential was a well-funded public system with true independence and legitimate access for ordinary citizens, not just for socialism but also for democracy itself. The point was to create a system where the means of production in this area were held in trust by the public and leased out to individuals without control from the top, in ways that would create a dynamic, popular, decentralized, and democratic media system. Unless the Labour Party—and by extension, the left everywhere—made restructuring communications a high priority, it would increase their likeliness of irrelevance and ultimate failure.

### **The New Left and Communication: The 1960s and '70s and Today**

The New Left, as Thompson had said, was in many ways defined from the beginning by its focus on culture and communication—seen primarily in a political-economic context. The fact that there was in the 1960s a historical moment for reform in broadcasting, after which change would become far more difficult (and British broadcasting would begin to move in the direction of the U.S. system with its commercialism and cultural degradation) was made clear in Williams's comments on the Pilkington Report in the second edition of *Communications*. "It is now more than ever certain," he wrote, "that we shall have to get rid of a commercial television structure, and especially of this one, with its close connexions in ownership with our already concentrated commercial press." Although the BBC had gotten a second channel as a result of the implementation of some of the Pilkington Report recommendations, it was already being forced to mimic the commercial system, competing for audiences "on the basis of profit rather than use" with the ITV channel of the Independent Television Authority. If another commercial channel were established, he predicted, "we shall have lost for a generation any chance of making a genuinely public system." The real goal, he insisted, ought to be "to start dismantling both the present commercial



structure of ITV and the present centralization of BBC,” replacing them with a system of public control over the technical and transmission apparatus, holding it in trust, coupled with “genuinely independent programme companies” which would lease the technical facilities and take responsibility for policy and content.<sup>82</sup>

Williams in many respects captured the core arguments of all the other writers from this period. He took elements of the critique initiated by Baran and Sweezy, the Frankfurt School, and Mills about the growing importance of the cultural apparatus under monopoly capitalism and developed it into a broader and more coherent intellectual vision. More important, he used this as a gateway not to despair over the duping of the masses, but, to the contrary, as a new crucial political battleground where the political left could rejuvenate itself and create a truly democratic socialism. It was no small accomplishment. At the same time as this work was being done, Jürgen Habermas had just completed his dissertation in Germany. When one reads what became *The Structural Transformation of the Public Sphere* today—it was not available in English until 1989—one is struck by the manner in which the analysis and arguments are complementary with those of Baran, Sweezy, Miliband, and especially Williams and Mills. Indeed, Habermas closes the book by invoking Mills approvingly.<sup>83</sup>

By the early 1970s, accompanying the global upsurge in political activism, there was considerable attention given to communication issues on the left. In the global South, the newly liberated nations organized for a New World Information and Communication Order in conjunction with a New International Economic Order to redress the global imbalances in control over communication networks and media resulting from centuries of imperialism. It was the first time in global politics that communication was put on the same level as the economy, or better yet, seen as being integral to the political economy.

In Britain, Nicholas Garnham, who would go on to be a central figure in the political economy of communication, wrote a manifesto for media activism in 1972 that drew directly from Marcuse and Williams. “The media of mass communication clearly play a vital role and the control of those media is a matter of central political concern,” he wrote. “The media are not neutral in the struggle for democracy. In the Long Revolution the pen may indeed turn out to be mightier than the sword. The outcome of that battle will therefore depend upon which side gains control of the pen.” In Garnham’s view, a problem with much of the “counterculture” media activism of the times was the belief that “alternative cultures, life styles and the institutional forms to go with them could be constructed within the existing social formation and alongside the more traditional social forms.”<sup>84</sup> Williams shared this concern, noting in 1975 that the commercial system had succeeded in “incorporating

large areas" of alternative popular culture into its own domain.<sup>85</sup>

In his 1975 retrospective look at the preceding fifteen years in British (and, to a certain extent, western) communication, Williams found some hope that the counterculture that had developed in that period might have lasting progressive value. But he was also skeptical.

The idea of an alternative culture is radical but limited. It can very easily become a marginal culture; even, at worst, a tolerated play area. It is certainly always insufficient unless it is linked with effective opposition to the dominant system, under which the majority of people are living.

Williams was especially heartened by the emergence of cooperatives to generate communication and culture, but here, too, direct political confrontation with the powers-that-be was unavoidable: "One of the key developments, that of the workers' or producers' or contributors' cooperative, depends, in the high-capital areas, on active support by a reforming government, and that takes us back to one of the central areas of conflict."<sup>86</sup>

In the United States, there was an explosion in developing such "alternative" media in the form of community theater and, especially, alternative newspapers and periodicals. But policy activism also emerged. In the early 1970s, African-American groups and other community and civil rights organizations participated in hundreds of license challenges to existing commercial radio and TV broadcasters before the FCC in a failed effort to claim their channels for community use. By the mid-1970s this activism contributed to the creation of scores of new community FM radio stations and public-access TV. The activism was a testament to the vision Williams and the others laid out a decade earlier.

By the end of the 1970s and thereafter the political projects associated with the writers in this volume disappeared with the collapse of the left and the rise of neoliberalism. As Garnham acknowledged in 1978, the "need" for radical media reform was growing "more acute" at the same time that the prospects for such reform were much further away.<sup>87</sup> The new fields of the political economy of communication and cultural studies downsized their immediate political ambitions and crystallized as academic undertakings, finding a toehold in a handful of universities where they provided a muscular critique while maintaining a tenuous institutional existence thereafter. Williams regarded the emergence of academic media studies as "significant," though he added that it was "ironic that this work should have developed in the same period in which the general situation was so sharply deteriorating."<sup>88</sup> Much of critical communication research subsequently turned away from the structural issues that were central to the work of the 1960s as institutional reform, not to mention socialism, appeared impossible. At its most extreme this devolution ended up in the varieties of post-structuralist, postmodernist,

and postcolonial schools. In such an environment it was easy for this 1960s political-economic and structural-reform tradition to be forgotten, even by some of the people associated with it.

In the past decade, with the emergence of global corporate media empires and the Internet, radical media reform has returned as a major political issue in countless nations. At times the reform efforts can be marginal, especially when they are not associated with popular movements and an organized political left that can provide vision and courage. But what is more important—since it represents a precondition of any forward movement—is how the left has now come to embrace the central importance of structural media reform and communication issues as never before, much as the writers in this issue desired. Nowhere is this more apparent than when one looks at Latin America today, where many of the great struggles concern how progressive forces can get elected-left governments to create truly independent media systems free of the traditional domination of a few capitalist clans in every nation, as well as the state. The capitalist forces are determined to use their media power to maintain their class privileges. The fate of these governments and socialist politics writ large may well ride on the outcome. Recently, notions about the creation of a public media system that would be “accountable to the public rather than the state”—or the market—perhaps similar to the general approach adopted by Williams have been informally broached by some individuals in the current period of experimentation and debate in Cuba.<sup>89</sup>

It has been said that Beethoven’s late string quartets were so far ahead of their time that we have not yet caught up to them. So it is with this work by Williams and the other contributors to the struggle over the cultural apparatus under concentrated capitalism that have been all but lost to history until now. Activists today still have much to learn from this visionary work about how to think about communication. All of these contributors, for example, were aware of the radical changes that new communication technologies were going to create in the decades to come, but none of them thought these technologies would magically solve fundamental political problems on their own. If anything the left has been too timid with regard to communication politics; it is time to be realistic, as the 1960s saying goes, and demand the impossible.

The reason that these issues are returning to the fore today is that capitalism is in crisis and facing political challenges in a manner not seen for decades. Evidence suggests that these political-economic contradictions will deepen in what we have termed an “endless crisis.”<sup>90</sup> Moreover, the larger planetary threat posed by capitalism is coming to the fore as never before. As Baran wrote in the 1960s (with the nuclear threat in mind): “the issue now is

not even capitalism or socialism...the issue now is world survival or world catastrophe."<sup>91</sup>

The final piece in this summer issue therefore returns to political economy. The basis of all the pieces in this issue is coming to grips with the nature of monopoly capitalist society. Here Baran and Sweezy's economic analysis was in many respects the lodestar for all the contributors. But how does their understanding of monopoly capital hold up five decades later?

We conclude therefore with John Bellamy Foster's new introduction to the second edition of his *The Theory of Monopoly Capitalism*, which was first published in 1986. This piece takes the core elements of *Monopoly Capital*'s political economy and addresses how the theory has developed over the past three decades. It provides a context for appreciating how the political-economic basis of the work in the 1960s can be adapted to the present times. The moral of the story: with regard to the political economy of communication, the present is history.

## Notes

1. See Robert W. McChesney, *Digital Disconnect: How Capitalism is Turning the Internet Against Democracy* (New York: New Press, 2013).
2. For a longer discussion of the origins and development of the political economy of communication, see Robert W. McChesney, *Communication Revolution: Critical Junctures and the Future of Media* (New York: New Press, 2007).
3. The critique tended to be more that *Monthly Review* underplayed the importance of media and communication than that it was wrong about these matters. On the rare occasions that MR covered the political economy of communication, it was sympathetic, and characterized the study as a necessary and logical part of monopoly capital. See the assessment of Herbert Schiller's work in Douglas Dowd, "Monopoly Capitalism and Mind Management," *Monthly Review* 26, no. 11 (November 1974): 32–38.
4. Dallas Smythe, "Communications: Blindspot of Western Marxism," *Canadian Journal of Political and Social Theory* 1, no. 3 (Fall 1977): 1–27.
5. See Dan Schiller, *How to Think About Information* (Urbana: University of Illinois Press, 2008), chapter 1.
6. See Robert W. McChesney, "What Ever Happened to Cultural Studies?" in Catherine A. Warren and Mary Douglas Vavrus, eds., *American Cultural Studies* (Urbana: University of Illinois Press, 2002), 76–92.
7. Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1966), 112–41. Many of the implications of Baran and Sweezy's analysis of the sales effort with respect to the development of modern marketing were developed in Michael Dawson, *The Consumer Trap* (Urbana: University of Illinois Press, 2005).
8. See Paul A. Baran and Paul M. Sweezy, "Theses on Advertising," *Science and Society* 28, no. 1 (Winter 1964): 20–30. Reprinted in this issue.
9. The Labour Party, *Report of a Commission of Enquiry into Advertising* (London: Labour Party, 1966), 33–40, 201, 204; Baran and Sweezy's testimony was solicited through the influence of Nicholas Kaldor, who was a member of the Advertising Commission but was forced to resign in 1964 when he was appointed special advisor to the Chancellor of the Exchequer. Kaldor's work on advertising, which was closely related to that of Baran and Sweezy's, was heavily quoted in the final report.
10. Paul M. Sweezy (writing anonymously, no author listed), *The Scientific-Industrial Revolution* (New York: Model, Roland, and Stone, 1957), 7. To support himself on top of his professional salary and to obtain funds for research, Paul Baran occasionally wrote reports for the Wall Street firm of Model, Roland and Stone. He was commissioned to do a report on technology but was pressed for time so he asked Sweezy to do it for him. The resulting report was issued by the firm with no author indicated, but Sweezy considered it one of his best pieces of writing. The original copy is in the Sweezy archives at Harvard University. Harry Braverman made use of Sweezy's argument on the scientific-industrial revolution in this pamphlet to construct much of his own argument on the scientific-technological revolution. See Braverman, *Labor and Monopoly Capital* (New York: Monthly Review Press, 1999), 115.
11. See John Bellamy Foster, "A Missing Chapter of Monopoly Capital: Introduction to Baran and Sweezy's 'Some Theoretical Complications,'" *Monthly Review* 64, no. 3 (July–August 2012): 3–17. The original draft of the culture and mental health (or "Quality of Monopoly Capitalist Society II") chapter along with related papers was found in a file in the Sweezy papers at Harvard University. The final draft with Sweezy's edits were located in the Baran Papers (Monthly Review Foundation).
12. Another "missing chapter," on the theoretical issues arising from their model, was located at the same time

- and published in the July–August 2012 issue of *Monthly Review*. See Paul A. Baran and Paul M. Sweezy, "Some Theoretical Implications," *Monthly Review* 64, no. 3 (July–August 2012): 24–59.
13. As Sweezy wrote in the preface to *Monopoly Capital*: "Whatever was drafted by one of us [for the book] was criticized at length by the other, and in most cases redrafted and recriticized more than once. Everything now in the book had been through this process before Baran's death. Apart from putting together the entire manuscript into finished form, the only thing I have done has been to leave out material that would have been two additional chapters. This material was in rough draft at the time of his death, but in each case one or the other of us had raised important questions which still remained to be discussed and resolved. Since neither chapter was essential to the theme of the essay as a whole, the best solution seemed to be to omit them altogether. I reached this conclusion the more easily since even without these chapters the book turned out to be longer than I had expected or we had originally intended." Paul M. Sweezy, "Preface," in Baran and Sweezy, *Monopoly Capital*, ix. From the first Sweezy had been concerned that the "cultural mess," given that it was left to the end of the manuscript, should not be given short shrift as a result (Paul M. Sweezy to Paul A. Baran, July 23, 1957, Baran Papers, Monthly Review Foundation). Baran had indicated that "if anything" he would "tend to accentuate its importance" (Paul A. Baran to Paul M. Sweezy, July 29, 1957, Baran Papers, Monthly Review Foundation).
14. C. Wright Mills, "Psychology and Social Science," *Monthly Review* 10, no. 8 (October 1958): 204–9. Mills later designated himself as a "pam Marxist," working in Marx's own tradition, and thus associated himself with a broad group of independent socialist thinkers including: "Isaac Deutscher... Joan Robinson... William Morris, Antonio Gramsci, Rosa Luxemburg, G.D.H. Cole, Georg Lukács, Christopher Caudwell, Jean-Paul Sartre, the later John Strachey, Georges Sorel, Edward Thompsons, Lezko Kolokowski, William A. Williams, Paul Sweezy, and Erich Fromm." C. Wright Mills, *The Marxists* (New York: Dell, 1962), 98.
15. On Miliband's relation to Mills see Michael Newman, *Ralph Miliband and the Politics of the New Left* (New York: Monthly Review Press, 2002), 65–68.
16. E.P. Thompson, "Last Dispatches from the Border Country: Raymond Williams, 1921–1988," *The Nation*, March 5, 1988, 310.
17. Raymond Williams, *The Long Revolution* (New York: Columbia University Press, 1981), x; Ralph Miliband, *Parliamentary Socialism* (New York: Monthly Review Press, 1964; original UK edition 1961). Raymond Williams' famous essay "Culture is Ordinary" appeared in Norman MacKenzie, ed., *Conviction* (New York: Monthly Review Press, 1958), 74–92.
18. E.P. Thompson, "The Segregation of Dissent," in Thompson, *Writing by Candlelight* (London: Merlin Press, 1980), 8.
19. On Baran as the political economist of the Frankfurt School, see M. C. Howard and J. E. King, *A History of Marxian Economics*, vol. II (Princeton: Princeton University Press, 1992), 114–15. Pollock himself, of course, was the main economist associated with the school, but Baran's work was to far eclipse him. Sweezy was less directly influenced by the Frankfurt School, but he had early on taken on many of the propositions on history and dialectics of Georg Lukács and Karl Korsch.
20. Peter Marcuse recalls: "I had only met Baran once, during the war, when my father was with the OSS [Office of Strategic Services].... I was maybe 12 at the time. Baran had come over to our house to talk to my father, and they stayed up a long time. I asked my father later why Baran had come, and he told me Baran wanted to talk about whether capitalism was ultimately bad for the capitalists as well as the workers, and I gather they agreed it was. My father was working on *Empire and Civilization* at the time (on the side, not at OSS!), and I assume that was the context. They really respected each other." Peter Marcuse to John Bellamy Foster, July 4, 2012. Baran referred to Adorno's work not only in the missing chapter on culture that he drafted for *Monthly Review*, but also in *The Political Economy of Growth*. His close attention to Adorno and Horkheimer's work was shown in his correspondence with Marcuse, e.g., Paul A. Baran to Herbert Marcuse, July 10, 1982 (Baran Papers, Monthly Review Foundation). Fromm is also discussed in Baran's letters.
21. In focusing on culture as a general way of viewing literary, artistic, and intellectual work Baran and Sweezy were, in Williams's terms, using the concept in "one of its predominant twentieth-century senses" and the one most related to questions of power. They differentiated this from more capacious anthropological uses of the term to refer to a definite way of life. See Raymond Williams, *What I Came to Say* (London: Hutchinson Radius, 1989), 199.
22. Paul A. Baran (writing under the pseudonym Historicus), "Better Smaller But Better," *Monthly Review* 2, no. 3 (July 1950): 85–86.
23. Early outline of "Monopoly Capital," circa 1957 (Baran Papers, Monthly Review Foundation).
24. The notion of the "apparatus" as representing the material conditions of art can already be seen in Hegel's philosophy of art where he refers to the "apparatus of its [art's] merely material nature." G.W.F. Hegel, *Introduction to Hegel's Philosophy of Fine Art* (London: Kegan Paul, Trench, and Co., 1886), 72.
25. Rolf Müller, Bertolt Brecht and the Theory of the Media (Lincoln: University of Nebraska Press, 1989), 15–16; Bertolt Brecht, *Brecht on Theatre* (New York: Hill and Wang, 1984), 34. (Note: the word culture in round brackets follows the Müller quote, despite the fact that current conventions would have required it being placed in square brackets, as it is not to be found in Brecht's statement.) According to Müller, "the term apparatus" in Brecht is "a broad category" that includes "every aspect of the means of cultural production, from the actual technological equipment to promotion agencies, as well as the class that is in possession of the means of production." Müller, Bertolt Brecht, 15.
26. Brecht, *Brecht on Theatre*, 34–35.
27. Brecht, *Brecht on Theatre*, 23, 48.
28. Paul A. Baran, *The Longer View* (New York: Monthly Review Press, 1989), 32; Müller, Bertolt Brecht and the Theory of the Media, 24; Astrid Oesmann, *Staging History: Brecht's Social Concepts of Ideology* (Albany:

- State University of New York Press, 2006), 107.
29. Walter Benjamin, *Understanding Brecht* (London: New Left Books, 1971), 87, 102. It should be noted that Benjamin's key essays on Brecht, including "The Artist as Producer," were not published until 1986 and were not available to Baran when he drafted the chapter on culture for *Monopoly Capital*, though he would have been familiar enough with these ideas through his knowledge of Brecht's work and the Frankfurt School discussions of the early 1930s.
30. Brecht, *Brecht on Theatre*, 47–52.
31. Erich Fromm, *The Crisis of Psychoanalysis* (Greenwich, CT: Fawcett Publications, 1970), 158–60; Axel Honneth, *The Critique of Power* (Cambridge, MA: MIT Press, 1991), 23–26; Eike Gebhardt, "Introduction to a Critique of Methodology," in Andrew Arato and Eike Gebhardt, eds., *The Essential Frankfurt School Reader* (New York: Urizen Books, 1978), 387–88. The concept of "cultural apparatus" was not specifically defined in Fromm's essay, but he was later to use the category mainly in the Brechtian sense. See Erich Fromm, *The Sane Society* (New York: Rinehart and Co., 1955), 183. It is noteworthy that Baran and Sweazy thought Fromm's early work (no doubt including his 1932 essay) was so important that they considered translating it for Monthly Review Press ("Notes on Planned Translations from the German," Monthly Review Press, no date, circa 1957, Baran Papers, Monthly Review Foundation).
32. Max Horkheimer, "Authority and the Family," in Horkheimer, *Critical Theory: Selected Essays* (New York: Continuum, 2002), 59–60, 67–68.
33. Herbert Marcuse, "33 Theses," in Marcuse, *Collected Papers*, vol. 1 (London: Routledge, 1998), 221. On Marcuse's use of the concept of cultural apparatus, see also Herbert Marcuse, *Eros and Civilization* (New York: Vintage Books, 1955). Earlier in his 1941 article on "Some Social Implications of Modern Technology," Marcuse had presented what he called "the technical apparatus of industry, transportation, and communication" as the crucial, if partial, mediating factor, of modern mass alienation. He stated that, "the term 'apparatus' denotes the institutions, devices and organizations of industry in their prevailing social setting." There was, he said, "no personal escape from the apparatus." Yet, a social escape was perhaps conceivable, requiring a struggle over the cultural apparatus in particular. Herbert Marcuse, "Some Social Implications of Modern Technology," in Arato and Gebhardt, eds., *The Essential Frankfurt School Reader*, 138, 143, 180.
34. Honneth, *The Critique of Power*, 23–26.
35. Honneth, *The Critique of Power*, 18.
36. Erich Fromm, *The Revision of Psychoanalysis* (Boulder: Westview Press, 1992), 56.
37. Fromm, *The Sane Society*, 183; Paul A. Baran to Paul M. Sweazy, November 28, 1958 (Baran Papers, Monthly Review Foundation).
38. Stanley Aronowitz, *Taking It Big: C. Wright Mills and the Making of Political Intellectuals* (New York: Columbia University Press, 2012), 241–42.
39. C. Wright Mills, *The Politics of Truth* (Oxford: Oxford University Press, 2008), 204, 263.
40. Mills, *The Politics of Truth*, 217–18, 221.
41. Mills, *The Politics of Truth*, 213.
42. Thompson quoted in Daniel Geary, *Radical Ambition: C. Wright Mills, the Left, and American Social Thought* (Berkeley: University of California Press, 2009), 196.
43. E.P. Thompson, "The New Left," *The New Reasoner*, no. 8 (Summer 1959), 1–17, <http://marxists.org>. Thompson's submission to the Pilkington Committee was listed in the report as connected to the publication *New University* and as having dealt with "Minority Interests and broadcasting," presumably referring to the issue of political minorities. Such issues were taken up in the Pilkington Report in sections on "Party Political Broadcasting" and "The News." Thompson's 1961 piece "The Segregation of Dissent," written for *New University* and addressing "minority causes" and "minority journals" fits this description. The New Left Review Ltd. also submitted a memorandum to the Pilkington Committee (published in *New Left Review* prior to the release of the Pilkington Report). Thompson apparently saw the New Left Review Ltd.'s submission as overly culturalist and reformist, focusing on issues of popular culture more than media control and making too many concessions with respect to the latter. United Kingdom, Report of the Committee on Broadcasting, 1960 (London: HMSO, 1962), 92–101, 320, 327; "Which Frame of Mind? TV and Broadcasting: Evidence to the Pilkington Committee," *New Left Review* no. 7 (1961): 30–48; Thompson, *Writing by Candlelight*, 1–10; Michael Kenny, *The First New Left* (London: Lawrence and Wishart, 1995): 103–8.
44. Raymond Williams, *Communications*, third edition (London: Penguin, 1976), 180–89.
45. Raymond Williams, *The Long Revolution* (London: Chatto and Windus, 1961), 338–39.
46. E.P. Thompson, "The Long Revolution—II," *New Left Review*, 1/10, July–August 1961, 34–39.
47. E.P. Thompson, *The Making of the English Working Class* (New York: Vintage, 1963). For Thompson the English working class of the nineteenth century developed a "resistance movement" to the acquisitive society that was not just backward looking but truly radical in its conception, and though it ultimately lost out in the struggle, partly through its inability to gain control of the means of production, including the means of intellectual production, and thus of the wellsprings of social and cultural existence, it nonetheless remained a "heroic culture." Thompson, *The Making of the English Working Class*, 832.
48. Uncited quotations from Baran and Sweazy in this introduction are to "The Quality of Monopoly Capitalist Society: Culture and Communications" in this issue.
49. Baran and Sweazy's use of the term "cultural industry" in the introduction to their piece no doubt reflected the influence of Frankfurt School cultural theorist Theodor Adorno. See T.W. Adorno, "Television and the Patterns of Mass Culture," in Bernard Rosenberg and David Manning White, eds., *Mass Culture* (Glencoe, IL: The Free Press, 1960), 484. This essay by Adorno is cited in Baran and Sweazy's chapter. Baran, a close reader of Horkheimer and Adorno, as indicated in his correspondence with Marcuse, was also undoubtedly familiar with

- the chapter in *The Dialectic of Enlightenment* on "The Culture Industry: Enlightenment as Mass Deception." See Max Horkheimer and Theodor Adorno, *The Dialectic of Enlightenment* (New York: Continuum, 1972), 120–67.
60. We thank John J. Simon, who spent a career in book publishing and knew both Baran, Sweezy, and Huberman well in this period, for making this point to us.
61. Huberman testimony in Leo Huberman and Paul M. Sweezy, "A Challenge to the Book Burners," *Monthly Review* 4, no. 4 (August 1953): 161.
62. On the active struggles over the cultural apparatus in the 1930s, including in the realm of publication, and how this faded in the 1950s and after, see Michael Denning, *The Cultural Front: The Laboring of American Culture in the Twentieth Century* (London: Verso, 1997).
63. Sweezy had suggested in his letter to Baran on December 5, 1962 the inclusion of a discussion of books for the elite and elite culture more generally in the chapter. Baran replied on December 7, 1962 that the point of the discussion of culture and communication was to focus on the cultural "state of the people," which is why books marketed to the elite were excluded in the draft. However, he indicated that he intended to add something on this (Baran papers, *Monthly Review Foundation*).
64. Mickey Spillane, *The Mike Hammer Collection*, vol. 2 (New York: New American Library, 2001), 132; Roland Végö, *The Naked Communist: Cold War Modernism and the Politics of Popular Culture* (New York: Fordham University Press, 2013), 180–89; Christopher La Farge, "Mickey Spillane and His Bloody Hammer," in Rosenberg and White, eds., *Mass Culture*, 176–85; Frances Stonor Saunders, *The Cultural Cold War* (New York: New Press, 1999); and Bryan Palmer, *Cultures of Darkness* (New York: Monthly Review Press, 2000), 373–74.
65. Eric Hobsbawm, *Fractured Times: Culture and Society in the Twentieth Century* (London: Little, Brown, 2013), 282–63. Baran and Hobsbawm, who were good friends, had coauthored a critique of Walt Rostow's *Stages of Economic Growth*. See Baran, *The Longer View*, 52–67.
66. Leo Huberman and Paul M. Sweezy, "Behind the FCC Scandal," *Monthly Review* 9, no. 12 (April 1958): 401–11.
67. Sweezy questioned the emphasis on the three great television networks as representing a "tight oligopoly" that controlled the industry in his early comments on the original draft of this chapter. As Sweezy wrote in a letter to Baran on December 6, 1962: "This whole paragraph stressing the great power of the networks seems out of focus in light of the statement on the next page that they are merely processors and agents. The latter is, in my view, a more accurate assessment of their role" (Baran papers, *Monthly Review Foundation*). By the time that he prepared the later draft of the chapter in late 1964, however, Sweezy had clearly come around to Baran's view.
68. Leo Huberman and Paul M. Sweezy, "The TV Scandals," *Monthly Review* 11, no. 8 (December 1959): 280.
69. Huberman and Sweezy, "The TV Scandals," 281.
70. Brecht, *Brecht on Theatre*, 48–49. The influence of Brecht on Baran's thought was particularly evident as he was wont to quote him from memory. Paul A. Baran to Paul M. Sweezy, February 20, 1962 (Baran Papers, *Monthly Review Foundation*). Nick Baran dimly recalls hearing Brecht's *Dreigroschen Oper* (Three-penny Opera) on his father's record player when he was a child. Nicholas Baran to John Belfamy Foster, April 24, 2013. It is not surprising then that the entire approach to the cultural apparatus in the Baran and Sweezy chapter on culture can be seen (particularly in the discussion of book publishing) as having a Brechtian emphasis, focusing on the relation of the artist to the apparatus and seeing the latter as an object of struggle.
71. United Kingdom, Report of the Committee on Broadcasting (Pilkington Report); Jeffrey Millard, "The Pilkington Report: The Triumph of Paternalism?" in Michael Bailey, ed., *Narrating Media History* (London: Routledge, 2009), 95–107.
72. Franz Kafka, *The Trial* (New York: Modern Library, 1964), 278. Mention of Kafka appears in Baran's correspondence. See, for example, the excerpt from Paul Baran to Paul M. Sweezy, July 4, 1963 in Paul M. Sweezy and Leo Huberman, eds., *Paul Alexander Baran (1910–1964): A Collective Portrait* (New York: Monthly Review Press, 1965), 61. In 1938 Benjamin wrote on Brecht and Kafka: "The decisive thesis of all of these plays (by Brecht) emerges clearly for the reader.... It can be summed up by a sentence from Kafka's prophetic novel *The Trial*: 'The lie is made into a universal system.'" Walter Benjamin, *Selected Writings* (Cambridge, MA: Harvard University Press, 2002), 332.
73. In "If Labour Wins," Millard explained in *Monthly Review* 15, no. 6 (October 1963): 328 that no "deep structural changes" would result.
74. Ralph Miliband, "Review of C. Wright Mills, *Power, People and Politics*," *British Journal of Sociology* 15, no. 1 (1964): 79.
75. Herbert Marcuse, *One-Dimensional Man* (Boston: Beacon Press, 1964), xvii.
76. Marcuse, *One-Dimensional Man*, 68–71, 267.
77. These pessimistic conclusions were strongly criticized in Fromm's unpublished critique of Marcuse. See Fromm, *The Revision of Psychoanalysis*, 126–29.
78. Marcuse, *One-Dimensional Man*, 71. Marcuse drew on Baran and Sweezy's analysis of monopoly capitalism in his later work. See, for example, Herbert Marcuse, *Counter-Revolution and Revolt* (Boston: Beacon Press, 1972), 5.
79. A year before on October 7, 1962 Baran had written to Marcuse: "Oo, oh! Where did your manuscript get stuck? I am lusting after it like a thirsty man for water and I don't know how I can get hold of it. Send it to me, I beg you, even if it has not yet attained a condition of absolute perfection and even if you are still caught up in the process of 'purification.' It will be sent back to you as quickly as possible and I will be infinitely indebted to you in gratitude." This was followed by a discussion of new work by Horkheimer and Adorno. Baran to Marcuse, October 7, 1962 (Baran Papers, *Monthly Review Foundation*; original in German, translated by Joseph Fracchia). Marcuse replied a week later referring to "massive difficulties getting it



- published. At present there are three copies with different presses." Marcuse to Baran, October 27, 1962 (Baran Papers, Monthly Review Foundation, original in German, translated by Joseph Fracchia). We would like to thank Joseph Fracchia for his translations from the Baran-Marcuse correspondence.
70. Paul A. Baran to Paul M. Sweezy, October 10, 1963. On Marcuse's view of Baran see Herbert Marcuse, "Tribute to Baran," in Sweezy and Huberman, eds., Paul A. Baran (1910-1984): A Collective Portrait, (New York: Monthly Review Press, 1984), 114-15.
  71. Raymond Williams, "Class and Voting in Britain," *Monthly Review* 11, no. 9 (January 1960): 333.
  72. Paul M. Sweezy, "Paul Alexander Baran: A Personal Memoir," in Sweezy and Huberman, eds., Paul A. Baran, 48.
  73. Baran and Sweezy, *Monopoly Capital*, 339, 363.
  74. Baran and Sweezy, *Monopoly Capital*, 386.
  75. F.O. Matthiessen, "Marxism and Literature," *Monthly Review* 4, no. 11 (March 1953): 388-400. Leo Marx, "Notes on the Culture of the New Capitalism," *Monthly Review* 11, no. 3 (July-August 1959): 111-16; Huberman and Sweezy, "The TV Scandals," *Monthly Review* seemed particularly lacking in the critique of the news media. It is true that there were occasional forays into this area. In May 1964 the magazine published a piece entitled "Newspapers?" by former journalist Alexander Crosby. Crosby argued that "the press has been going down hill steadily" for decades as it became increasingly monopolistic and profit-obsessed. The result was a dull and reactionary news, all but worthless for a vibrant democratic society. Newspapers "have no heart and no energy." See Alexander L. Crosby, "Newspapers?" *Monthly Review* 16, no. 1 (May 1964): 43-46.
  76. Brecht, *Brecht on Theatre*, 96.
  77. Raymond Williams, *Britain in the Sixties: Communications* (Harmondsworth: Penguin, 1962); Williams, *The Long Revolution*, 386.
  78. The Labour Party, Report of a Commission of Enquiry into Advertising (London: Labour Party, 1966), 33-40, 201, 204; Raymond Williams, *Communications* (New York: Barnes and Noble, 1967), 155-56. While Baran and Sweezy provided written testimony to the Labour Party's Advertising Commission, Williams was listed as a submitter of oral evidence.
  79. Williams, *Communications*, 156. The Pilkington Report indicated that Williams's memorandum to the Committee on Broadcasting had addressed the following topics: "BBC and ITA: Existing Services: License Fee: Third television programme: Regional broadcasting: Local sound broadcasting: ITA to collect advertising revenue direct: Broadcasting and Television Council: Educational Broadcasting: Consumer Research programs." *Report of the Committee on Broadcasting* (Pilkington Committee), 329. Since Williams' memorandum to the Pilkington Committee was completed at the same time that he was working on his "Existing Alternatives to Communications" (reprinted in this issue) and on his book *Communications*, his Pilkington Committee memorandum likely reflected similar concerns (as suggested by the Committee on Broadcasting's listing of its contents here). Williams also referred to the Labour Party's Advertising Commission Report (to which he and Baran and Sweezy had given testimony) in the second edition of his book; however, it was released while the book was in press, so he was only able to add a footnote indicating that "its majority recommendations amount to a useful short-term programme of action and ought, in my view, to be firmly supported." Williams, *Communications*, 156.
  80. Williams, *Communications*, 17-19.
  81. Williams, *Communications*, 129-30, 166-73.
  82. Williams, *Communications*, 156-58. The long-run response to the Pilkington Report and the decline of the BBC-centered system are described in Nicholas Garnham, *Capitalism and Communication* (London: Sage 1990), 128-32.
  83. Jürgen Habermas, *The Structural Transformation of the Public Sphere* (Cambridge, MA: MIT Press, 1989), 249-50.
  84. Nicholas Garnham, *Structures of Television*, revised edition (London: British Film Institute, 1980), 14. First published in 1973.
  85. Williams, *Communications*, third edition (Harmondsworth: Penguin, 1976), 184.
  86. Williams, *Communications*, third edition, 186-87.
  87. Garnham, *Structures of Television*, 9.
  88. Williams, *Communications*, third edition, 183.
  89. Roger Burbach, "A Cuban Spring?" *Counterpunch*, April 13, 2013, <http://counterpunch.org>.
  90. See John Bellamy Foster and Robert W. McChesney, *The Endless Crisis: How Monopoly-Finance Capital Produces Stagnation and Upheaval from the USA to China* (New York: Monthly Review Press, 2012).
  91. Baran, *The Longer View*, 436.

# Theses on Advertising

Paul A. Baran and Paul M. Sweezy

Confronted with a progressive deterioration and an increasing "Americanization" of mass media in Britain, the British Labor Party appointed a Commission under the Chairmanship of Lord Reith the assignment of which is "to consider the role of commercial advertising in present day society and to recommend whether reforms are required; if so, what?" This Advertising Commission solicited oral and written testimony from various workers in that field, submitting to them a questionnaire covering the principal points on which comments were invited. Having also been asked for our reflections on the matter, we prepared the following statement the purpose of which is not so much to answer all the questions posed in the questionnaire, as to present a more or less integrated view on this, most important, subject. Being inadequately informed about conditions prevailing in Great Britain, we addressed ourselves to the experience in the United States—on the assumption that much of it is relevant to problems existing in other countries.

## I. Advertising and the Economy

1. Since the last quarter of the nineteenth century, American industry has constituted an oligopolistic system in which small numbers of large firms have been responsible for the bulk of their industries' output. At the present time, "the one-hundred-and-thirty-odd largest manufacturing corporations account for half of manufacturing output in the United States. The five hundred largest business corporations in this country embrace nearly two-thirds of all nonagricultural economic activity."<sup>1</sup>

2. Except during a few comparatively brief periods of war and postwar reconstruction, American business has been plagued by a persistent shortage of effective demand in relation to its productive potential. In the words of a marketing specialist, "The problem of business used to be how to manufacture and produce goods; but the principal problem has become now how to market or sell goods."<sup>2</sup>

3. Under oligopolistic conditions, *price competition* is avoided as a response to the insufficiency of demand and other forms of sales effort are substituted. "The rivalries of the business world are nowadays as keen or

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Originally published in *Science & Society* 28, no. 1 (Winter 1964: 20–30).

keener than ever. Competition with respect to the quality of products and the services associated with them has increased. However, less stress is being placed by many of our larger businesses on price competition."<sup>3</sup> This is, if anything, an understatement.

4. Advertising *sensu stricto* should be considered as merely one species of the large genus of non-price-competitive devices. Perhaps equally important are spurious product differentiation, artificial physical and/or "moral" obsolescence, and the like; these are, however, for the most part rendered possible by advertising. In the words of the McGraw-Hill Department of Economics: "Today, the orientation of manufacturing companies is increasingly toward the market and away from production. In fact, this change has gone so far in some cases that the General Electric Company, as one striking example, now conceives itself to be essentially a marketing rather than a production organization. *This thinking flows back through the structure of the company to the point that marketing needs reach back and dictate the arrangement and grouping of production facilities.*"<sup>4</sup> In the following remarks, however, we confine attention to mass-media advertising, both in view of the Commission's stipulated terms of reference and because such advertising taken by itself not only plays an important part in the non-price-competitive sales effort but also serves as an indispensable adjunct of most other sales stratagems. "The secular rise of advertising expenditures is a sign of secular...decline of price competition."<sup>5</sup>

5. The growing "oligopolization" of the American economy has been paralleled by a corresponding expansion of advertising. Expenditure upon newspaper and periodicals advertising in 1890 amounted to over \$76 million, about ten times as great as similar expenditure at the time of the Civil War. By 1929, it had climbed to over \$1,100 million and constituted 1.38 percent of National Income as against .59 percent in 1890. This process gained momentum with the appearance of new advertising media (radio and particularly television), so that at the present time business outlays for advertising and related services (advertising agencies, market research, bureaus, public relations advisors, and the like) exceed \$15 billion annually (approximately .4 percent of National Income). It should be noted that this amount does *not* include the costs of market research, designing for advertising purposes, and the like carried on *within* the producing or selling concerns themselves. While reliable estimates on the latter are not available, \$10 billion per year is considered by experts to be a not unreasonable figure.

6. In appraising the economic effects of advertising, economics has traditionally followed the lead of Alfred Marshall by distinguishing between "good" and "bad," "constructive" and "combative" advertisements. Those in the former category are commended as providing useful information on new products and helping "to draw the attention of people to opportunities for

buying or selling of which they may be willing to avail themselves."<sup>6</sup> Other types of advertising are condemned as a waste of resources, doing harm by adding to the imperfections of the competitive process, causing a distribution of income different from what it would be under more perfectly competitive conditions, and manipulating (and distorting) consumers' tastes and motivations.

7. The advent of the new advertising media (radio and television) and the concomitant proliferation of advertising, although not introducing any substantially new arguments into the *economic* discussion of the subject, lend emphasis to those previously employed. The defenders are able to point to the powerful spur to spending and consumption provided by modern advertising; and to stress the resulting stimulation of mass production methods, the introduction of new products, and the consequent opening up of new investment opportunities. Occasionally, they also credit advertising with furnishing the media with financial means for valuable cultural activities such as broadcasting of classical music, presentation on television of good films, plays, and educational material.<sup>7</sup>

8. The economists who are critical of advertising deplore the now *massive* waste of material and human resources associated with the advertising process itself as well as with other forms of the non-price-competitive sales effort which it renders possible—the increasingly fraudulent product differentiation, less and less warranted and more and more costly model changes in consumers' durable goods, propagation of ever more superfluous gadgets, etc.

9. The debate between the critics and the defenders of advertising remains of necessity inconclusive in view of self-imposed limitations on the scope of the debate. The critics' rejection of advertising generally is predicated upon the assumption that full employment would prevail in the absence of advertising. Then, indeed, the resources now devoted to advertising would be more usefully employed elsewhere since, as Chamberlin puts it, "as a result [of advertising] demand for the advertised product is increased, that for other products is correspondingly diminished."<sup>8</sup>

10. Defenders of advertising argue that by stimulating consumption and investment it plays an indispensable role in the functioning of the capitalist economy. On this basis of American experience, this argument appears to us to be sound. There can be little doubt, we think, that the chronic underutilization of resources which has plagued the United States for more than a generation now would have been a good deal more severe if it had not been for the spectacular growth of advertising during this period. If this is correct, it follows that attempts to abolish or curtail advertising could have seriously adverse effects *unless accompanied by comprehensive and effective planning for full and socially desirable employment*. This is a point which critics of advertising consistently neglect and which should certainly be given

great weight in the formulation of new policies regarding advertising.

## II. Advertising and the Consumer

11. In the appraisal of the mass media's over-all impact on the public, opinions differ greatly. (See Section IV below.) There is more consensus among experts on the power of advertising to influence buying on the part of the consumer, although disagreement exists on the extent of that power.

12. The critics of advertising contend that advertising campaigns if sufficiently large, persistent, and unscrupulous (availing themselves of such methods as subliminal suggestion and the like) can sell to the consumer "almost anything." This contention is supported by some of the most authoritative experts in marketing techniques, one of whom observes that "a superior product means superior in the eyes of the consumers. It does not necessarily mean superior in terms of objective value or according to laboratory standards," and reports that "studies...conducted in the last twelve years show conclusively that individuals are influenced by advertising without being aware of that influence. An individual is motivated to buy something by an ad, but he often does not know what motivated him."<sup>9</sup> The most striking examples of the capacity of advertising to generate demand for worthless or even harmful products have recently been provided in the area of pharmaceuticals, cosmetic products, and the like.<sup>10</sup>

13. The defenders of advertising, on the other hand, maintain that no amount of advertising, however conducted, can induce the consumer to buy a product which does not represent a useful innovation or is not better or cheaper than what is otherwise available in the market. As stated by Rosser Reeves, Chairman of the Board of Ted Bates & Co., one of the largest American advertising agencies, "If the product does not meet some existing desire or need of the consumer, the advertising will ultimately fail."<sup>11</sup> The case most frequently cited in support of this view is the Ford Motor Company's failure to establish a market for its Edsel automobile in spite of a vast outlay on advertising.

14. It is erroneous to seek to measure the impact of advertising on consumers by studying their responses to *specific* advertising campaigns. That impact can only be adequately assessed if consideration is given to the *totality* of biotic urges and social forces which is responsible for the formation of human wants in any given historical environment. By setting standards of values, by establishing criteria of success, by molding its members' fears and aspirations, society lays the foundations from which advertising as a whole draws its lifeblood. The outcome of *individual* advertising campaigns is determined by a multitude of more or less fortuitous circumstances particular to each case.

15. One of the functions of advertising is the *reinforcement* of the socially

and/or biotically determined wants and preferences of consumers. The desire to "keep up with the Joneses," to own the largest or the newest automobile, to furnish one's house with the most recently manufactured gadgets, cannot be attributed to advertising; it stems from the general "climate" prevailing in society. Advertising, however, intensifies these propensities and facilitates their gratification. "Madison Avenue...serves as alarm clock for America's sleeping desires."<sup>12</sup>

16. Advertising provides the consumer with *ex post* rationalization of behavior which may be unacceptable to him on other grounds. While tobacco, liquor, profligacy may be rejected by an individual on rational grounds, the recurrent reassurances by advertising assuage his misgivings about indulging in smoking, drinking, and the like, despite his own disapproval.<sup>13</sup>

### III. Advertising and the Mass Media

17. With the exception of the relatively insignificant sprinkling of non-commercial FM radio stations, *all* radio and television broadcasting stations in the United States are privately owned and depend for financial support on advertising revenue. Newspapers and periodicals, on the advertising services of which approximately 27 percent of all advertising outlay is spent, rely for more than two-thirds of their budgets on the sale of advertising space.

18. All media solicit advertising, and most provide advertisers with services of various kinds, maintaining so-called merchandising departments which collaborate with advertisers in making decisions on the timing and structure of their advertising campaigns.

19. Since the volume of advertising and the price charged for space (or time) are determined by the media's access to the public (circulation of newspapers, viewing or listening "ratings" of the stations), the need for advertising revenue compels the media to cater to as wide a population strata as possible. This not only militates against too much "highbrow" or even "middlebrow" material, but provides a strong impetus to a wide coverage of sensational material such as crime, sexual deviations, and the like.

20. The influence of advertisers on the editorial policies of the media is not readily ascertained. It is important to realize, however, that there is no need to assume any nefarious collusion between advertisers and media policy-makers to explain the uniformly conservative orientation of the latter's editorial positions. This conservatism is adequately explained by the fact that the owners and executives controlling the media are in no respect different, as far as basic attitudes, mentality, and political orientation are concerned, from the owners and executives of the advertising concerns.

21. The program designs and editorial policies of the media are subject to two conflicting pressures. Advertisers, naturally seeking to reach the largest possible audience, are anxious to avoid antagonizing any prospective

customers and therefore prefer the media to follow a policy of conservative and non-controversial programming and editorializing. Yet the public's interest in the media's offerings is more likely to be aroused if the programs contain new material or are rendered more absorbing by the tensions resulting from debates, contests, and rivalries. The solution habitually adopted by the media's managements is to admit such tensions in *immaterial* areas: quiz shows, sports, competitions among performers, and debates on more or less innocuous public issues or among speakers of not too widely divergent persuasions.

22. Economies of scale realized in efforts to secure *national* advertising accounts have combined with the economies of scale resulting from centralized news gathering, features buying, and newsprint procurement to advance rapidly mergers and concentration of media on a *national* scale. Strictly *local* media—primarily newspapers, catering to the needs of local business—have gone through a massive merger movement on the local level, with the result that a large and ever-growing number of small and middle-sized localities in the United States have only one newspaper (sometimes with a morning and afternoon edition). The consequences of this to the formation of public opinion and to the functioning of the democratic process are self-evident.

#### IV. Advertising and Values

23. It is crucial to recognize that advertising and mass media programs sponsored by and related to it do not to any significant extent *create* values or *produce* attitudes but rather *reflect* existing values and *exploit* prevailing attitudes. In so doing they undoubtedly reenforce them and contribute to their propagation, but they cannot be considered to be their taproot. There is wide consensus among specialists that advertising campaigns succeed not if they seek to *change* people's attitudes but if they manage to find, by means of motivation research and similar procedures, a way of linking up with *existing* attitudes.

24. Status-seeking and snobbery; social, racial, and sexual discrimination; egotism and unrelatedness to others; envy, gluttony, avarice, and ruthlessness in the drive for self-advancement—all of these attitudes are not *generated* by advertising but are made use of and appealed to in the contents of advertising material.

25. The debasement of cultural standards and the substitution of *Kitsch* for art in music, the plastic arts, and literature do not *stem* from advertising, although advertising has become the chief patron and Maecenas of the *Kitsch* producers inundating the market. To the (not inconsiderable) extent to which the tastes, preferences, and needs of the patrons influence the work of the artist, the advertisers can be held responsible for the corruption of the artistic talent which they purchase.



26. Factors referred to in paragraph 21 have to be borne in mind in considering the influence of advertising and design. Although the desire to reach and influence the largest possible audiences motivates the promotion of least controversial, hackneyed, and corny productions, the drive to expand sales and to create "moral" obsolescence of products stimulates the introduction and promotion of new and sometimes aesthetically valuable articles and models. The search for a compromise between those two requirements leads usually to the cheapening and "watering down" of genuine art or to an outright perversion of the effects of artistic masterworks by placing them in wholly incompatible contexts (e.g., the use of paintings by Giotto in advertisements of travel agencies or of medieval architecture in the promotion of hotels).

27. It is sometimes argued that advertising really does little harm because no one believes it anymore anyway. We consider this view to be erroneous. The *greatest* damage done by advertising is precisely that it incessantly demonstrates the prostitution of men and women who lend their intellects, their voices, their artistic skills to purposes in which they themselves do not believe, and that it teaches "the essential meaninglessness of all creations of the mind: words, images, and ideas."<sup>14</sup> The real danger from advertising is that it helps to shatter and ultimately destroy our most precious nonmaterial possessions: the confidence in the existence of meaningful purposes of human activity and the respect for the integrity of man.

28. The causal nexus explaining the nature of values, prevailing standards of culture, and the quality of forthcoming artistic production cannot stop at advertising. It leads rather through advertising to the underlying structure of the market- and profit-determined economic and social order.

29. The failure to recognize the essentially instrumental, mediating part played by advertising largely accounts for the inconclusiveness of the frequently undertaken attempts to explore its effects and impact. Advertising, being a reinforcing and proliferating mechanism, can neither be held responsible nor be absolved of all responsibility for prevailing attitudes, cultural standards, and values.

30. The trouble with advertising is *not* that it promotes conformity to certain norms of life and behavior. The trouble is that advertising of necessity promotes conformity to norms that, by any rational standard, are worthless or humanly destructive.

## V. Conclusions

31. It is beyond the scope of this paper to discuss the structural changes in the economic and social order which would be required to eliminate the negative impact of advertising on the moral and cultural standards of society. It must never be lost from sight that advertising is a part of the *modus operandi*

of profit-making business enterprise under present-day conditions. As Pigou clearly recognized many years ago, the only way it could be "removed altogether" would be "if conditions of monopolistic competition were destroyed."<sup>15</sup> America's long experience with antitrust laws has proved conclusively that this is impossible within the framework of a capitalist society. It follows that the elimination of advertising as we know it today would require the elimination of capitalism. This is a conclusion which socialists should find neither surprising nor disturbing.

32. If action is to be confined to the field of advertising proper, it should be directed not at the enterprises which buy the advertising but at the media which carry it. The maintenance of non-commercial radio and television, strictly refusing to accept advertisements, takes care of one large aspect of the problem.

33. Controlling the contents of advertisements in newspapers and periodicals presents formidable difficulties. Any measures in that direction risk coming into conflict with principles of freedom of speech and expression. Legislation could be promulgated, however, rendering the publication of mendacious and misleading advertisements subject to serious penalties. The principal problem to be solved in this connection is the *enforcement* of such statutes.

34. American experience suggests that the most important condition for successful curbing of advertising abuses is placing the burden of proof not on the government but on the advertiser. Specifically, a government board entrusted with the supervision of advertising should be entitled to ban certain advertisements in view of their contents, unless the affected firm can prove the truthfulness of its advertised claims. The American arrangement in which the opposite procedure is followed, i.e., the advertiser is permitted to continue publicizing his unwarranted claims until the government agency involved can satisfy the courts of their groundlessness leads to endless red tape and litigation which defeat the entire endeavor.

35. It should be possible to rule out *a priori* the advertising of certain kinds of products. Just as it is prohibited to advertise and sell narcotics, so the advertising of tobacco, liquor, and other products that are harmful could be outlawed.

## Notes

1. E.S. Mason, "Introduction," in E.S. Mason, ed., *The Corporation in Modern Society* (Cambridge, MA: Harvard University Press, 1959), 5.
2. Stuart Henderson Britt, *The Spenders* (New York: McGraw-Hill, 1960), 52.
3. Arthur F. Burns, *Prosperity Without Inflation* (New York: Fordham University Press, 1957), 83.
4. Dexter Merriam Keezer and Associates, *New Forces in American Business* (New York: McGraw-Hill, 1959), 97.
5. T. Scitovsky, *Welfare and Competition* (Chicago: R.D. Irwin, 1951), 401n.
6. Alfred Marshall, *Industry and Trade* (London: Macmillan and Co., 1919), 305.
7. Paul A. Samuelson, *Economics*, Fifth Edition (New York: McGraw-Hill, 1961), 138.

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8. E.H. Chamberlin, *Theory of Monopolistic Competition* (Cambridge, MA: 1933), 120.
9. Louis Cheskin, *Why People Buy* (New York: Liveright Publication Corp., 1959), 54ff.
10. James Cook, *Remedies and Rackets* (New York: Norton, 1958), passim; Meyer Weinberg, *TV in America* (New York: Ballantine Books, 1962), passim.
11. Rosser Reeves, *Reality in Advertising* (New York: Knopf, 1961), 141.
12. James Kelly, "In Defense of Madison Avenue," *New York Times Magazine*, December 23, 1958.
13. Leon Festinger, *A Theory of Cognitive Dissonance* (Evanston, IL: Row, Peterson, 1957), passim.
14. Leo Marx, "Notes on the Culture of the New Capitalism," *Monthly Review* 11, no. 3-4 (July-August, 1958): 118.
15. A.C. Pigou, *Economics of Welfare*, Fourth Edition (London: Macmillan and Co., 1938), 199.

## MONTHLY REVIEW

## Fifty Years Ago

To this day, the American nation celebrates the Civil War and records it as a war to free the slaves. But in the eyes of Negroes the Civil War was the war which made it possible for the United States to be industrialized, the war which resulted in the Bargain of 1877 between Northern capital and Southern landed aristocracy, which left the former slaves living and working under a caste system as brutal as that of slavery itself.

Following the Civil War and a brief period of Reconstruction during which Negroes enjoyed their newly won freedoms, the North made its infamous deal with the South. According to this deal, the South could go its own way, using the Negroes as sharecroppers on the cotton plantations. In return the North got from King Cotton much of the capital it needed for industrialization, both through export of cotton to England and from its own textile mills. This Bargain of 1877 was never recorded, but it ranks with the other more famous compromises on principle which have distinguished the United States in its relation to slavery.

The Negro question in the United States has therefore never been purely a question of race, nor is it purely a question of race today. Class, race and nation are all involved. The American nation has become the giant of industry that it is today on the backs of the Negroes. The working class has from the very beginning been divided. The white workers were an aristocracy which benefited first and always from the exploitation of the Negroes, and in between by the exploitation of each new wave of immigrants....

When the Civil War ended with the Negroes being returned to serfdom, it was the first major defeat of the class struggle in the United States. From that time on, Americans, including the radicals among them, have regarded the Negro question as a race question. Before the Civil War, Negro struggles were called rebellions and revolts. But after the Civil War and the formal emancipation of the Negroes, any violent action by Negroes was called a "race riot" even when these actions were based on economic grounds, such as jobs, housing, or prices.

—James Boggs, "The American Revolution: Pages from a Negro Worker's Notebook," *Monthly Review*, July–August 1963

# The Quality of Monopoly Capitalist Society: Culture and Communications

Paul A. Baran and Paul M. Sweezy

The culture of a society includes the education of its young, its literature, its theater, music, the arts—in short whatever contributes to the “training and refinement of mind, tastes, and manners...the intellectual side of civilization.”\* To inquire further into the culture of monopoly capitalism, we have here selected for attention two areas which offer a larger body of specialized research and which we judge to be decisive for the quality of culture as a whole: book publishing and broadcasting. These are both now big businesses, and they therefore demonstrate the striking extent to which culture has become a commodity, its production subject to the same forces, interests,

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This is a hitherto unpublished chapter of Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1966). The text as published here has been edited and includes notes by John Bellamy Foster. The style conforms to that of their book. Part of the original draft chapter, dealing with mental health, was still incomplete at the time of Baran's death in 1964, and consequently has not been included in this published version. For the larger intellectual context see the introduction to this issue.

\* *Oxford Dictionary*, “culture.” This is a somewhat old-fashioned definition, and it is customary nowadays to subsume all characteristics of a society under the term “culture.” The change in usage is symptomatic of the dulling of the once-sharp critical edge of bourgeois thought. Just as the substitution of “behavioral sciences” for “social sciences” deflects attention from the structural determinants of thought and actions, so the broadened meaning of “culture” obscures the distinction between society's socio-economic foundation and its ideational superstructure. All aspects of social existence are placed on an equal footing—the economic organization and table manners, political power structure and sports—the need to put first things first and devise a meaningful strategy of social change is dangerously obscured. [Editor's note: The 1971 edition of the *Oxford English Dictionary* includes the precise definition quoted by Baran and Sweezy here as one of its principal definitions of culture. This reflects, as Raymond Williams noted in his essay “Marx on Culture,” “one of the predominant twentieth-century senses {of the word}, as a general term for artistic, literary and intellectual work. There is no comparably adequate general term, so the use can be readily justified. But it is well known that *culture* is also used, in anthropology and sociology but also more generally, to describe a distinctive way of life, then including arts and learning but also much more general practice and behavior.” Behind these diverse uses of the term culture, Williams argued, are different, but related, questions about society. The focus on culture in terms of intellectual and artistic life and the development of structures of communication is particularly relevant to the questions raised by the Marxist tradition, with respect to the cultural apparatus and cultural hegemony. Raymond Williams, *What I Came To Say* (London: Hutchinson Radius, 1989), pp. 199–202.]

and motives as govern the production of all other commodities.

The development of big business in the cultural field has of course been possible only because of the enormous increase in the productivity of labor under advanced capitalism. In earlier times culture was the monopoly of a tiny minority, while the vast majority had to work most of their waking hours to keep body and soul together. In England, as late as the nineteenth century,

only the relatively well-to-do minority of the middle class, the merchants, bankers, professional men, manufacturers, and so on, could spend full evenings with their families and their books. In the lower levels of that class, most spent long hours at their work, small employers and overseers keeping as long hours as their workmen. Retail tradespeople, a million and a quarter of them by the 1880's, were in their shops from seven or eight in the morning until ten at night, and on Saturdays until midnight. For skilled and unskilled laborers, the working day was so long during the first half of the century as to be a national scandal. Hundreds of thousands of miners and factory- and mill-hands crept to their employment before dawn and emerged after sunset. The fourteen-hour day was commonplace, and the sixteen-hour day was not rare.\*

Under these circumstances the market for culture was necessarily infinitesimal, and popular education, to the extent that it existed, was confined to imparting knowledge needed for the efficient performance of work. Reformers, understanding this, focused much of their energies on the struggle for a shorter worker day. Only when the worker had some free time of his own could he hope to improve his mind and fit himself for full participation in the life of society. But as he acquired more income and more leisure, the fruits of rising labor productivity, the worker surely would be able to claim his rightful share in "the intellectual side of civilization": such was the promise of developing capitalism.

The actual course of events has taken a different turn. Rising incomes and shortening work days have indeed been accompanied by a commensurate increase in the production and consumption of printed matter, drama, music, cinema. But this vast increase in quantity has been accompanied by an equally impressive change in quality—a change in general for the worse. As the cultural industries have moved from handicraft to mass production, they have fallen under the sway of corporate business, which has learned that one way to make maximum profits is to cultivate and cater to all the frailties and weaknesses in human nature. The result is a cultural output which has turned into its opposite. Instead of the "training and refinement of mind, tastes, and manners," we witness the diminution of mind, the debasement of tastes, and

\* Richard D. Altick, "The Spread of Reading," in Eric Larrabee and Rolf Meyersohn, eds., *Mass Leisure*, Glencoe, Illinois, 1958, p. 44.

the brutalization of manners.

## II

The pride of place among cultural media has traditionally belonged to books. For long centuries manuscript books were the repository of man's knowledge, and the chief means by which it was passed on from one generation to the next. Since the discovery of printing, books have made the fruits of civilization accessible to ever wider strata of the population. While books have today been replaced by newspapers and periodicals as the predominant form of reading matter, and while their traditional functions have been partly taken over by records, film, and tape, they still retain a place of unique importance in society's cultural apparatus.<sup>1</sup> And the quantity and quality of books written, published, and read in a society can certainly be taken as reliable indicators of its cultural condition.

In what follows, we do not claim to examine all aspects of the book business in the United States. We exclude textbooks. They are an integral part of the educational system and necessarily reflect its characteristics and requirements. We also exclude scientific, technical, and scholarly books: the publics which they reach are small and highly specialized. Finally, we largely neglect the segment of literary output which many people mistakenly think of as the main preoccupation of publishers: serious works of fiction and nonfiction, addressed to the general reader—"trade books" is the publishing term. According to the 1958 Census of Manufactures, adult trade books were only 4.2 percent of all books published that year and accounted for 7 percent of all receipts from sale of books.\* And the public which buys these books, apart from libraries and institutions of various kinds, is a very small segment of the population—even of the book-buying population.† Clearly, books in this category are not bought by and have little influence on the vast majority of Americans: as indicators of society's cultural condition they have a marginal significance.<sup>3</sup>

In our society, as in other societies, there are of course writers of independence and integrity who are creating works of art, sometimes of the highest quality. Just as some people manage to acquire a good education in spite of the educational system, so there are authors who produce good books in spite of all the forces and pressures working against them. In neither case,

\* Phyllis B. Steckler, ed., *The Bowker Annual of Library and Book Trade Information*, New York, 1964, pp. 38–39.

† "Probably the single most important book and book-store audience in this country is small, vastly influential, easy to locate, hard to hit, and difficult to fool. It lives primarily in New York, Chicago, and Los Angeles and their suburbs." Robert Gutwillig, "What Ails the Book Trade," *The New Leader*, May 15, 1961.

however, is the number large; and, in relation to the size of the literate population, there are probably fewer independent literary artists of the first rank in the United States today than there were a hundred years ago. The reason for this is certainly not any decline in artistic potential but simply that serious art does not pay. Unless he has independent means or is prepared to live in poverty—which is doubly hard in an “affluent” society—the artist is either forced to sell his talents by writing for the slick magazines, the movies, TV, and radio, or else to seek refuge in the sheltered life of a college teacher which notoriously fails to provide the atmosphere, the scope of experience, and the freedom essential to creative work. Ernest van den Haag puts the point in a nutshell: “Our society may not treat the creator of great works of art much worse than he was treated in the past. But we treat the creator of popular art so much better that the inducement becomes almost irresistible. There was no such temptation in the past.”\*

One further point: most serious writers today reflect a profound sense of disillusionment with American reality, and too often a sense of despair about the future. In the minds of the country’s artists, the American dream has turned into a nightmare.

This negative view of American society is not confined to fiction. There was a period after the Second World War, which C. Wright Mills aptly called the American Celebration, when self-critical literature was distinctly out of style. But in the last few years commentators on the American scene have been increasingly turning to the work of exposure which was carried on by the muckrakers before the First World War and by a variety of social critics during the 1920s and 1930s. This literature contradicts the widely held belief that the United States is the kind of conformist society which brooks no criticism. On the contrary, it is the kind of conformist society—indeed perhaps the *only* one of its kind—which revels in criticism. This is not because of some masochistic streak in the American character. Rather, when the economy falters and social ills stand out ever more glaringly, the publication of works of social criticism is not only good business; it can also perform a profoundly conservative function.† Charles Poore, in a recent review, described this function with precision:

The charm of the swarming new books like Mr. Hoyt’s is that they somehow create illusion out of disenchantment. They give us the feeling

\*“Of Happiness and Despair We Have No Measure,” in Bernard Rosenberg and David Manning White, eds., *Mass Culture*, Glencoe, Illinois, 1957, p. 521.

† A list of books published in the last ten years [1954–1964] falling into this category would fill pages. Throughout this book [*Monopoly Capital*] we have drawn on them frequently for factual information and to support our own interpretations. Our footnotes are therefore sprinkled with examples of this abundant literature.



that if absurdities and inequities are presented to us forcefully and frequently enough, those plaguey things will go away.

We all could, so to speak, just sit there reading the books while other people cope decisively with the ailments of a vulnerable society.\*

The kind of social criticism which finds favor with American publishers is essentially a quietistic literature, stressing evils but not seeking their causes in the structure of the social order. Human nature, the American character, industrialism—these and other real or imaginary factors are held responsible for whatever is wrong. But never monopoly capitalism. The reader is therefore told, explicitly or implicitly, that nothing can be done about it, or that safely superficial reforms will bring improvement, or that “we” should resolve in the future to be virtuous where in the past “we” have been wicked. In any case, the status quo is fortified, the more so because the exposure of evils and the airing of grievances act as a sort of safety valve for what might otherwise become explosive passions, and because the very prevalence of such criticism “proves” how liberal and open and progressive our society is. But genuinely radical social criticism, which concentrates on laying bare the roots of social evils, is taboo among American publishers.†

### III

The book business has undergone a tremendous expansion since the Second World War. Books are now everywhere—in people’s pockets and living rooms, in mail order catalogues, drugstores, and supermarkets. Between 1950 and 1962, the number of titles published (new and reprinted) doubled from 11 to 22 thousand; and the share of disposable income spent on books, which was 0.37 percent in 1957 (the same as in 1929), rose to 0.45 percent in 1961.‡

\* Review of Edwin P. Hoyt, *The Golden Rot: A Somewhat Opinionated View of America*, New York, 1964, in the *New York Times*, November 3, 1964.

† The history of Monthly Review Press, publisher of the present work [referring to *Monopoly Capital*], is of relevance. It came into existence solely as a makeshift arrangement for publishing books which established houses considered to have overstepped the limits of permissible criticism. Publishers of course do not couch their rejection slips in these terms, and in individual cases other considerations may be involved. But anyone who knows the book business would acknowledge the reality of the taboo; and the success and expansion of Monthly Review Press, with no access to normal sources of capital and normal channels of publicity, obviously proves that lack of a market is not the reason for the general refusal to publish radical criticism.

‡ *Statistical Abstract of the United States*, 1963, p. 527. Percentages calculated from tables *ibid.*, pp. 213, 328; and *Historical Statistics of the United States: Colonial Times to 1957*, pp. 139, 224.

In spite of these striking increases, the United States trails behind other advanced countries. In 1952 when the number of titles published in the United States was about 12 thousand, the USSR published 37.5 thousand, Great Britain 18.7, India 17.4, Japan 17.3, and West Germany 13.9. In a tabulation of book production per million inhabitants in 23 countries, the

The total quantity of books sold in the United States has thus more than doubled, but that of paperback editions has multiplied eight times. At the present time paperbacks constitute the bulk of all books produced in the country. And the bulk of that bulk is in so-called mass distribution paperbacks. The word "book" refers to a different object from fifty years ago; and these changes reflect in turn (and partly also cause) a far-reaching transformation of its contents and the part that it plays in society.

In the course of this century, and in particular since the Second World War, American publishing has undergone a drastic shake-up. Although it is a misleading, idyllic view of the past to say that "traditionally, publishing houses have been small, family-owned firms whose proprietors were really literary patrons, much more interested in cultivating talent than in operation in a business like fashion," it is nevertheless true that "publishing has long since passed into the hands of more frankly commercial-minded people."\* Indeed the production of books, like other commodities, has become highly concentrated, with the field increasingly dominated by a relatively small number of large corporations. In 1958, the 50 largest companies accounted for 69 percent of all book shipments.† Since then failures and mergers have been sweeping the industry: mergers increased from an annual average of 3.5 in 1948-1955 to 10.8 during the years 1956-1960. At the end of 1961, there were only 18 publishing firms in the mass distribution field as against 82 seven years earlier.‡

Despite all this concentration, book publishing still remains a highly competitive business. Although it might seem that every book is a unique product meeting with rather inelastic demand, this is really so of only a few books and a narrow market made up of libraries, institutions, and well-to-do individuals who are little influenced by price considerations. The great majority of books are possible substitutes for each other and also have to compete fiercely with other reading (newspapers, magazines, digests), other forms of recreation (movies, TV, radio, spectator sports) and also alternative

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United States, with 74 million, stood fourth from the bottom, exceeding only Brazil, India, and China. The Netherlands produced nine times as many books per million inhabitants, Czechoslovakia six times, and the Soviet Union two and a half times as many. (R. E. Barker, *Books for All: A Study of the International Book Trade*, UNESCO, Paris, 1956, p. 21.) Nor did the more than 50 percent increase in the number of titles between 1952 and 1962 raise the United States' relative standing. Other countries experienced similar or greater increases: in 1961, the USSR published 74 thousand titles. Steckler, ed., *The Bowker Annual*, 1964, p. 75.

\* Robert Lubar, "Henry Holt and the Man from Koon Kreek," *Fortune*, December 1959.

† *Concentration Ratios in Manufacturing Industry 1958*, Report prepared by the Bureau of the Census for the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, United States Senate, 37<sup>th</sup> Congress, 2<sup>nd</sup> Sess., Washington, 1962, p. 22.

‡ *Business Week*, December 30, 1961.

ways of spending or saving money. Prices of mass-distribution books must therefore be closely calculated, and they remain on a low, competitive level. At the same time the emerging oligopolistic character of the industry manifests itself in the fact that prices for each class of book are fully standardized, with the standards being well observed throughout the trade.

All this puts book publishing into a tight squeeze. Its costs have been rising faster and profit margins falling. In order to maintain profit volume it has become necessary to raise sharply the minimum acceptable size of an edition. Bennet Cerf, referring to trade books, wrote in 1947 that "the break-even point for a publisher used to be 2,500 to 4,000 copies [of any new book printed]; now it is 10,000."\* And more recently it has been reported that only by selling 15,000 copies can a trade book publisher make an assured profit on a new title. Even these figures would seem trifling to a mass distribution publisher. In that field 150,000 copies are considered to be a minimum break-even point, with a strong tendency for this floor to move up.† up.†

All this has given an ever-increasing importance to "subsidiary rights." These relate to serialization in magazines, distribution through book clubs, translation, and use in the movies, television, radio, and the like. "It has become increasingly difficult to publish a book profitably merely on its trade sales...and more and more publishers are finding that a book which would have shown a loss otherwise has been made profitable by the sale of subsidiary rights."‡ Although successful writers, or more often their agents, are increasingly adept in excluding or limiting publishers' participation in prospective film royalties, those and other potential subsidiary revenues play a frequently decisive part in the publishers' decisions concerning book manuscripts.§

This compelling necessity for large editions, the urgent concern with subsidiary rights, and the ever more pronounced big business structure of the publishing industry not only influence decisively the number and prices of books published. They exercise also a profound impact on the nature of what is being published. It has become imperative to produce material which will attract as wide a public as possible. Here the motivations of the modern publishing giant are essentially no different from the old-fashioned small

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\* Quoted by Alan Dutscher, "The Book Business in America," in Rosenberg and White, eds., *Mass Culture*, p. 129.

† *Business Week*, December 30, 1961.

‡ Joseph Marks, "Subsidiary Rights and Permissions," in Chandler B. Grannis, ed., *What Happens in Book Publishing*, New York, 1957, p. 213.

§ The chance of a book being bought for a Hollywood film script is always an important consideration for the publisher, since the appearance of the movie automatically boosts the sales of the book.

publishing firm: to make the largest possible profit. What has changed is the framework and the degree of rationality with which the profit objective is pursued.

The small book publisher of old was typically seeking to sell expensive books to a small public. The large publishing concern of today is typically trying to put cheap books on a very large market. These different objectives call for different methods. The small publisher could expect books that he liked to be also liked by the public. Personal tastes and judgments helped to determine his choice. Decisions in a larger publishing corporation today, as for all other large-scale corporate business, are carefully thought out under the overriding principle of "Safety First." There is little room for haphazard investments, for experimentation, for gambling on manuscripts merely because they have aroused the interest of an individual executive or editor. The material to be invested in is now selected by boards of experts representing such departments as sales, production, subsidiary rights, and public relations. A book can no more be judged solely by its merits than can next year's automobile model. It must be considered in terms of the market—a market well-defined, clearly visualized in relation to other markets, and scientifically explored. The product must be standardized, adjusted, and "quality-controlled." As a result, what may be called a set of unwritten rules has emerged.

First, the published material should avoid antagonizing any class, stratum, geographical, or religious section of the prospective readership. If giving offense to some group is to be risked, it should be done only if the number of the offended is small and overcompensated by the number of those gratified. Books expressing views contrary to widely held religious sentiments will be discriminated against, while books wallowing in rape, murder, and mayhem will be perfectly acceptable.

Second, severe selectivity must be applied to the issues that may be discussed. Controversy about some is admissible and even desirable; it increases the sales appeal of the book. Problems of sex, psychology, and lately of race relations are okay, just so long as they involve no direct attack on the actual basic structure of the economic and social order.

Third, preference will naturally be given to authors whose fame provides advance assurance of a large market. But the fame of most mass-distribution authors has little to do with literary distinction and very much to do with publicity and a knack for catering to the mass market. Publicity in turn is manufactured by mass media, and obviously no writer with radical views will be built up by magazines, newspapers, radio, and television. Thus the premium placed on the authors' fame tends to preclude dealing with touchy subjects and antipathy to touchy subjects facilitates the achievement of

fame.\*

The fourth rule is to keep a sharp eye out for whatever succeeds and immediately to imitate it. Just as in the garment industry new styles sweep the entire trade, so successful books set fashions which all publishers are eager to follow.

It would be of the utmost interest to follow through the changes which these specifications underwent in the age of monopoly capital.<sup>†</sup> All we can do at this point is to draw attention to the vast increase of the part played by publishers' rules and specifications in the *genesis* of the contemporary work of fiction.<sup>‡</sup> This *quantitative* change transforms, however, the very *quality* of the work itself. With the writer becoming more and more pronouncedly an employee of the publishing corporation and his independence turned increasingly into a sham (just as that of a small businessman) and with the results of the publishers' market and motivation research and the consequent decisions of editorial boards determining the contents of the directives under which he operates, it becomes futile to look at the outcome of this manufacturing process for the expression of the artist's views, insights, and convictions. Ironically, the material coming upon the market does not even necessarily convey the sentiments, notions, and creeds of the members of the teams whose business it is to put together marketable copy. It indicates rather what these teams on the basis of their collective deliberations, investigations, and hunches estimate to be the kind of reading people are likely to "go for."

The observance of these general rules leads to progressive uniformity of literary output, an ever more pronounced loss of identity in the individual book. This clearly increases elasticity of demand—it becomes increasingly immaterial to the buyer which of the many books crowding the market he will

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\* In one respect, the premium on fame operates differently and in a way paradoxically. The most famous writers are the dead, and with the growth of population, literacy, and income, the demand for their works naturally grows. This is further stimulated by the cult of "great books" on college campuses and among other readers with cultural aims. Also, most works of dead writers can be published without payment of royalties. Thus the publication of classics, both fiction and nonfiction, has expanded enormously in recent years, and the best literature of the past has been made widely available, which is all to the good. Yet this wealth from the past makes it that much more difficult for unknown living writers to get into print. "I have no quarrel with either Dante or Shakespeare," Cecil Hemley writes, "But it is a trifle ironic that competition from them should make it more difficult for the unnamed ones of the present." Cecil Hemley, "The Problem of the Paperbacks," in Rosenberg and White, eds., *Mass Culture*, p. 144.

<sup>†</sup> An excellent example of such a study is the frequently reprinted paper by Leo Lowenthal, "Biographies in Popular Magazines," in Leo Lowenthal, *Literature, Popular Culture, and Society* Englewood Cliffs, New Jersey, 1961, pp. 109–40 [Editor's note: where it is given: the new title "The Triumph of Mass Idols"].

<sup>‡</sup> This process of "creation" is brilliantly described by Albert Van Nostrand in *The Denatured Novel*, New York, 1960, in particular Chapter III, "The Clay Feet of Polk and Franklin."

read while sitting in some place or riding some plane—and intensifies the competitive pressures in book publishing. And yet no single publisher dares to break the general rules nor can they all get together and decide to be “different.” The most they can do is to amend and adjust the rules to meet the requirements of particular markets.

Sometimes the publisher even circularizes a selected mailing list with a brochure which describes the merits of a new, great, and unprecedented work. He of course does not say that the work is not yet written; so far it is merely an “idea” of the publisher. But if the number of orders is satisfactory a writer will be commissioned to compose the necessary copy. Here the book as commodity, manufactured to suit the market, is wholly unmistakable.

In the mass distribution market, all the rules are scrupulously observed, except that the authors involved need not be celebrities. For saleable wares, what is required is material made by the most promising up-to-date formula, with a good prospect of becoming a best seller and yielding substantial subsidiary revenues. Although known writers are of course favored, novices (and ghost writers) also have a chance provided they comply with the rules and fashions.\*

Fiction written for the mass distribution market is not therefore the expression of an artists’ apprehension of individual and social existence; it is, as Elmer Davis says, “not what somebody wanted to write, but what somebody else wanted to get written.” Nevertheless, the study of this output can throw much light on the nature of prevailing concepts, creeds, and attitudes.† But we must shift our analytical focus; instead of trying to grasp and interpret the message of the writer, we must try to weigh and interpret the relevant statistical and descriptive information about those themes which publishers, their employees, and their authors have found commercially worth treating.

One chief source of information is the work of Alice Payne Hackett, 60

\* A book note in the *New York Times* (November 28, 1964) reads: “Patrick Dennis, known as the author of *Auntie Mame* [runaway best-seller of a few years ago], has written a novel about marriage on the rocks, called *The Joyous Season*, which Harcourt Brace and World will publish on January 13. The publishing concern’s confidence in the book is shown in a first printing of 40,000 copies. Twentieth Century-Fox has purchased the story for a film. *The Ladies Home Journal* is running an excerpt in January. All are best-seller portents.”

† “There is not likely to be great disharmony between an author’s views and those of his readers readers when they invest their own funds to purchase his books. Although it is theoretically possible for people to buy books with which they disagree in order to perceive accurately the heresies or shortcomings of opponents, no research on mass media has revealed any such tendency. People appear to expose themselves to offerings of the mass media which coincide with their predilections.” Louis Schneider and Stanford M. Dornbusch, *Popular Religion: Inspirational Literature in America*, Chicago, 1958, p. 156.

*Years of Best Sellers, 1895–1955*.<sup>\*</sup> Of course “the best seller of all times in this country, most certainly the best in the mid-twentieth century, is the Bible.” The average yearly sales of the unabridged text reach some 7 million copies. In addition, more religious fiction and non-fiction have made the best seller lists than any other kind. This is but one aspect of what has been called a great “religious boom” since the Second World War. Between 1940 and 1960, church membership has grown from 49 percent of the population to 64 percent, and outlays on new church buildings rose from \$126 million in 1947 to \$805 million in 1961.<sup>†</sup>

The nation is full of confused persons who feel that there is something wrong, something deeply unsatisfying, about the lives they are living but would have trouble saying what it is and even more trouble discovering what to do about it. These are the people who are not yet badly enough disturbed (or wealthy enough) to be ready for a psychoanalyst, but they are frustrated, depressed, have a feeling that they have been victimized by life and some of them are on the way to a crack-up.<sup>‡</sup>

But the great bulk of the religious literature which these people buy can do little to clarify the causes of their misery or to suggest a more intelligent approach to their inner and outer worlds. Solipsism and mysticism are dominant threads. There is “frequent stress on the view that thought is the highest reality and matter either illusory or subservient to thought.” And “we can say with very minor qualifications that basic economic, political, and cultural forms are *not* invoked as having a bearing upon the fortunes of the ‘self,’ or in combination with other agencies....Man...scarcely lives in a society or culture at all.”§ Material like this, far from improving understanding and mental well-being, effects what might be called literary lobotomy.

A profound state of psychic malaise underlies the demand for this sort of literature—which also serves the interests of the Establishment in more ways than one. An advertisement for Norman Vincent Peale’s *The Power of Positive Thinking* admonishes executives to “give this book to employees. It pays dividends!” A satisfied customer is reported to be saying that the book helped to quiet the complaints of his employees, increasing their enthusiasm for their firm. Salesmen have “renewed faith in what they sell and in their organization,” and the office staff exhibits “greater efficiency” and a “marked

<sup>\*</sup> New York, 1956. A best seller in Miss Hackett’s treatment is any book which sold at least half a million copies in this period.

<sup>†</sup> See *The Christian Century*, March 27, 1957; and *Statistical Abstract of the United States* 1962, p. 749.

<sup>‡</sup> Paul Hutchinson, editor of *The Christian Century*, quoted in “Have We a ‘New’ Religion?” *Life*, April 11, 1955, p. 143.

<sup>§</sup> Schneider and Dornbusch, *Popular Religion*, pp. 19, 23, 24.



## QUALITY OF MONOPOLY CAPITALIST SOCIETY

reduction in 'clock-watching.'\* No wonder the sale of Peale's book, and others like it, has been swelled by bulk purchases by big corporations for free distribution among their employees.

Cookbooks—next to the Bible and books on religious subjects—have sold best and most consistently in the non-fiction field since 1895. And next comes the vast market for fiction, where crime, detection, and mystery stories are the leading genre. The quantitative leap in this market has been spectacular, with current sales numbering something like a 100 million copies a year. And even this quantitative revolution has been accompanied by a qualitative transformation in the material.

The classic detective story is an exercise in logic and inference designed to uncover a criminal act—usually a murder, though it may also be a gem theft, or some diplomatic or business intrigue. For the plot a highly rational, uncannily clever detective puts together a series of improbable looking clues and bits of evidence to clinch some ingenious explanatory hypothesis. The hero's extraordinary power of correct reasoning may be underscored by juxtaposing to him a more slow-witted character, whose bungling helps to obscure the issues and draw red herrings across the trail. The classic detective story thus reflects the spirit of partial rationality that was characteristic of bourgeois thought in the nineteenth century—it may be said to effect a neat transposition of the spirit and methods of double-entry bookkeeping into the realm of fiction.

This is indeed a world apart from the detective story that now dominates the field today. The emphasis has now shifted from the virtuoso performance of the detective to the crime itself. The act of murder with all the details is now carefully described; and the tracking down of the perpetrators is accomplished not by patient pursuit of complicated leads but by haphazard action, torture, and brutality. The detective is no longer the servant of justice; he is investigator, judge, and executioner all in one person. Mike Hammer is the leading character in Mickey Spillane's productions, six of which belong to the first fifteen best-selling books of the twentieth century.† And Mike Hammer is in essence a stupid and amoral sadist with a wholly inordinate appetite for liquor, women, and violence. His professed motto is "kill, kill, kill, kill!" He beats, maims, and shoots in the stomach men and women in many cases who have nothing to do with the original crime.‡ The destruction of life, the lust for carnage are described with gusto; and the tremendous success of these subhuman, or indeed anti-human, works fully

\*William Lee Miller, "Some Negative Thinking About Norman Vincent Peale," *The Reporter*, January 13, 1955, pp. 23–24.

†John W. Dodds, *American Memoir*, New York, 1961, p. 28.

‡See Dwight MacDonald, "A Theory of Mass Culture," in Rosenberg and White, eds., *Mass Culture*, p. 68.

justifies Christopher La Farge's question: "What has come to our country that it can support and applaud these attitudes toward our common life as a country?"\*

There is a parallelism between the development of the detective story and that of the mass distribution novel. In the work of any authentic artist, the story crucially important as it is, is not an end in itself. It serves as a means for the representation of individual and social conflicts, of human passion, joy, and suffering. And the artist of the first rank does not impose his own world outlook, his analytic and interpretive work. His characters speak for themselves; their actions, their words, their gestures reflect and convey his view of reality, his thoughts, and his insights. But just as the nub of the modern detective story is the physical description of crime and violence, so the heart of the contemporary mass distribution novel is a minute account of the hero's (frequently improbable) overt behavior, without any attempt at the discovery, elucidation, and comprehension of the underlying causes and motivations. The purpose is merely to thrill.

This fictional material differs from Spillane only in length and structure rather than in aesthetic quality or in intellectual and moral orientation. It is intended to provide the consumer with entertainment, suspense, and excitement, and calculated to titillate the senses.

The cover of one offers for 95 cents "a realistic tough, ruthless, outspoken novel of men and women who always take more than they give. It is filled with sin and success as the sharply drawn characters search endlessly for love and power, to dominate others even at the expense of self-destruction." Another volume at 75 cents, announces that "the bedroom behavior of a nymphomaniac, an inhibited intellectual, a frigid wife, a father-dominated bride, an adulteress, and an aggressive career woman is examined in this adult novel." And a third, somewhat thinner and therefore only 50 cents, tells us that "SEX spins the plot," and promises a "no-holds-barred account of sin in suburbia."† These examples could be multiplied. Albert Van Nostrand has examined 302 titles which appeared during the last twenty years:

Just seventy-one adjectives describe all of these books, but by a declining ratio. There are forty-nine adjectives on the first hundred covers (arranged alphabetically by title), seventeen new ones on the next hundred, and only five new adjectives on the covers of the rest... These novels are "moving," "brilliant," "dynamic," and compelling." They are "gripping," "graphic," and "fascinating." They are "emotion-charged" and "blood-stirring," and

\* Christopher La Farge, "Mickey Spillane and His Bloody Hammer," in Rosenber and White, eds., *Mass Culture*, Glencoe, Illinois, 1957, p. 185.

† The books respectively are: Harold Robbins, *The Carpetbaggers*, Pocket Books, 1962; Irving Wallace, *The Chapman Report*, New American Library, 1962; and Evan Hunter, *Strangers When We Meet*, Pocket Books, 1959, 1960.

occasionally "drum-tight"...They are about equally "compassionate" and "brutal"; and some—often the less expensive ones—are both....They score by being "merciless," "stinging," "biting," or "fearless." And they "speak out" too. But for every "outspoken" novel, seventeen are "frank" and three are "utterly frank." The subject of this candor is variously "bawdy," "daring," "intimate," "racy," "stark," and "unnatural." Searching for a new sensation, one publisher even labeled the contents of his book "*turgid*"—which is certainly being "utterly frank."\*

Announcing a book called *McCaffery*, the advertisement states that this is "a sensational new novel about a furious young man who burns away his poverty and his past by plunging into a life of depravity":

He is McCaffery, bright, good-looking and gifted with a certain fatal charm. One dark night he moves from a tenement in New York's Yorkville to a plush Greenwich Village brothel. In the oldest profession, he is an innovator. No act is too sordid for McCaffery, no wealthy woman too old or too fat, no male customer too demanding. Then a remarkable man named Bentley—suave, sophisticated, unnatural—introduces McCaffery to genuine luxury and horror. McCaffery lives in his basement, learns the savage rites of perversion, attends the parties where thirty people make thirty kinds of love. He finds himself sinking into a well of decadence so deep that only the most violent crime can save him. McCaffery's story is a terrifying journey along the edge of disaster to the beginnings of wisdom. This is raw book. It deals with the degradation of sex in our society, and is one of the most controversial novels of recent years. *Lady Chatterly's Lover*, for readers old enough to know where babies come from, is really a dull book. Nobody can say that about McCaffery.†

To be sure, high-pressure salesmanship, mendacious advertising, and the peddling of worthless and harmful products is not unique to the book market. But it does reflect a steady and methodical debasement of the book itself over the last few decades. Transferring to the sale of books the methods used in marketing "sex apparel" and cosmetics, liquor and cigarettes and nostrums of all kinds, undermines all respect for literary work, and annihilates the book as a cultural medium. Nor does this apply only to trash. Respectable or even great works of art change in the process their impact and their function. Being made to promise what they cannot "deliver," being presented as something they never intended to be, they not only discredit themselves in the eyes of the reader, but strongly influence his attitude towards books in general. Literary

\*Van Nostrand, *The Denatured Novel*, p. 134. This valuable work contains a wealth of information on the condition of contemporary American fiction.

†*New York Times*, October 10, 1961.

works are not confronting him as sources of insight, and aesthetic enjoyment, as documents to be appreciated; they are stridently marketed as cheap means of easy entertainment, of vicarious experience—to be skimmed through for the exciting passages dealing with crime, sin, and sex, and then to be thrown away like the daily newspaper or the wrapping on a cake of soap.

The very term “book” is scarcely applicable to much of the tremendous output of “comic books.” In 1958 it was estimated that some 600 million comic books were sold throughout the United States annually—this in addition to the newspaper comic *strips* that are seen by more than 100 million Americans every day.\*

Between the ages of six and eleven, 95 percent of boys and 91 percent of girls buy comic books for a steady reading diet. Between twelve and seventeen, the figure falls to 87 percent of boys and 81 percent of girls. Between eighteen and thirty, it is down to 16 and 12... These are steady readers. To estimate the occasionals, add another 13 percent of men and 10 percent of women.... In the recent war, at the post exchanges, the combined sales of *Life*, the *Reader's Digest*, and the *Saturday Evening Post* were exceeded by comic books by a ratio of ten to one.†

Although views concerning the effects of this intake on both adults and children differ widely, there is a general agreement among serious students as to the intellectual hollowness, ideological tendentiousness, and aesthetic shabbiness of this output. Even one writer amiably disposed toward the comics finds:

It doesn't seem possible that anything so raw, so purely ugly, should be so important. Comic books are ugly; it is hard to find anything to admire about their appearance. The paper—it's like using sand in cooking. And the drawing: it's true that these artists are capable in a certain sense; the figures are usually well located in depth, they get across action.... But there is a soulless emptiness in them, an outrageous vulgarity; and if you do find some that seem, at least, funny and gay, there's the color. Ouch! It seems to be an axiom in the comic book world that color which screams, shrieks with the strongest possible discord, is good. Even these aspects of comic-book art are mild and dull when contrasted with the essence of it: the layout, the arrangement of ideas; and that goes, too, for the ideas

\* State of New York, Report of the New York State Joint Legislative Committee Studying the Publication and Dissemination of Offensive and Obscene Material, March 1958, p. 69. An even larger circulation was suggested by James D. Hart, *The Popular Book: A History of America's Literary Taste*, New York, 1950, p. 286, where the weekly consumption of comic books is put at 25 million copies, i.e., 1.3 billion a year. And see Rosenberg and White, eds., *Mass Culture*, p. 187. The market for this material of course includes many adults.

† Coulton Waugh, *The Comics*, New York, 1947, p. 334.

themselves.\*

Another student states that content analysis "shows the comics to contain a high degree of ethnocentrism, conservatism, violence, crime, and sex."† Hostile critics use tougher language. In February 1955, a United States Senate Committee Inquiry on Juvenile Delinquency reported that crime and horror comic books, which constitute the majority of the total, "offer short courses in murder, mayhem, robbery, rape, cannibalism, carnage, necrophilia, sex, sadism, masochism, and virtually every other form of crime, degeneracy, bestiality and horror."‡

The one negatively strong point in favor of the comics is that it is not fair to single them out for special condemnation. For much that has been said about the comics can be said with equal justification about other forms of printed matter, and about radio, television, and other cultural institutions of our society.

#### IV.

The economic organization of television in the United States may well present the publishing industry with what could be called the mirror of its future. In the late 1950s some 540 stations were broadcasting television programs, but the industry as a whole was already a tightly controlled oligopoly. Economic forces, political manipulation, and technical factors have contributed to the concentration of control in the hands of three great corporations.

All but thirty-five television stations are now affiliated with one or more of three national networks which service them with programming and which sell their facilities to network advertisers. Each national network organization operates a radio as well as a television network, owns and operates eight to ten radio-TV stations, serves as national spot representative for those stations and for some affiliates too, produces live and filmed programs, and has extensive connections with related industries like motion picture exhibition, or the manufacturing of radio-TV sets, tubes, transmitters, antennas, studio equipment, etc.§

The television networks have a dominant position in radio and a powerful influence on Hollywood; they are also closely linked with the country's

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\* *Ibid.*, p. 333.

† Leo Bogart, "Comic Strips and Their Adult Readers," in Rosenberg and White, eds., *Mass Culture*, p. 190. [Editor's note: As the above title indicates, Bogart was concerned here with comic strips rather than comic books, but Baran and Sweezy clearly believed the statement had a wider application to comic books as well.]

‡ Quoted in Report of New York State Legislative Committee, p. 68.

§ Harvey J. Levin, "Economic Structure and the Regulation of Television," *Quarterly Journal of Economics*, August 1958, p. 427.

newspapers. Leo Bogart reported in 1958 that "164 of the country's 502 TV stations, or 33 percent, were owned by newspapers, or associated with them," and "the newspaper-affiliated TV stations have over 90 percent of the nation's receivers within their coverage areas."<sup>\*</sup>

How much time is spent looking at television and listening to radio? While estimates vary, they are in the neighborhood of what one careful student of the subject accepts as reliable: the typical TV set works more than 5 hours a day (less on weekdays, more on weekends), and on the average a man spends 2 ½ hours, a woman 3 ½, and a child 4 hours a day watching the screen.<sup>†</sup> In addition, men spend daily some 1-1 ½ hours, and women 1-2 hours, listening to the radio.<sup>‡</sup>

The three great networks are themselves essentially but processors and agents of advertisers. As the president of the 20<sup>th</sup> Century Fox Television Peter Levathes, puts it: "You've got to look at television realistically, as what it is today. The sponsor buys a show to sell his product. That is the basic purpose of TV. To sell someone's product."<sup>§</sup> There are altogether approximately four thousand firms whose products television helps to sell, but ten large corporations account for more than 35 percent of television's advertising revenue, while ten advertising agencies are responsible for half the money spent on national television advertising—network and spot.<sup>\*\*</sup>

Inevitably, television programming—and the situation is similar in radio—is essentially under the control of the sales departments of a few powerful corporations. They have no concern with the promotion of culture, they are interested in maximizing sales and profits by reaching the widest possible audience. The result is programs which are "ultra-conservative" and "appeal to the lowest common audience denominator."<sup>††</sup><sup>4</sup>

As with comic books, there are substantial differences of opinion among students of broadcasting about the effects of these programs on adult and child audiences; but all informed observers—outside the industry itself, of course—

<sup>\*</sup> Leo Bogart, *The Age of Television*, 2<sup>nd</sup> edition, New York, 1958, p. 187. [Editor's note: For a treatment of the role of the Federal Communications Commission in promoting oligopoly in broadcasting see Leo Huberman and Paul M. Sweezy, "Behind the FCC Scandal," *Monthly Review*, April 1958, pp. 401-11.]

<sup>†</sup> Leo Bogart, "American Television: A Brief Survey of Research Findings," *Journal of Social Issues*, 1962, no. 2. It is believed that TV viewing by children takes up from two to somewhat over three hours per weekday and as much as ten hours on Saturdays and Sundays, with the heaviest viewing being between the ages of eleven and thirteen. See Bogart, *The Age of Television*, especially chapter 4.

<sup>‡</sup> Sebastian de Grazia, *Of Time, Work, and Leisure*, New York, 1962, p. 125.

<sup>§</sup> *Variety*, October 21, 1959, as quoted in Meyer Weinberg, *TV in America: The Morality of Hard Cash*, New York, 1962, p. 142.

<sup>\*\*</sup> Bogart, *The Age of Television*, p. 193.

<sup>††</sup> Sydney W. Head, *Broadcasting in America: A Survey of Television and Radio*, Boston, 1956, p. 262.

are highly critical about the general level of the offerings. This widespread condemnation of television and radio comes of course from those who think the industry should be trying to do more than provide mere entertainment, but it comes also from those whose only concern is to assess the quality of the entertainment provided.\*

In 1961, after four months in office, the Chairman of the Federal Communications Commission, Newton Minow, declared: "I invite you to sit down in front of your television set when your station goes on the air and stay there without a book, magazine, newspaper, profit-and-loss sheet, or rating book to distract you and keep your eyes glued to that set until the station signs off. I can assure you that you will observe a vast wasteland."† Other comments are in the same vein. Walter Lippman accuses the broadcasting companies of "debasing and degrading the most powerful of all popular institutions of education and entertainment."‡ One concise verdict was pronounced, ironically enough, by Albert Freedman, the producer of the fraudulent quiz show which became such a *cause célèbre* in 1959: "In the field of TV programming saturated with murder and violence, it is my opinion that the quiz shows as entertainment were a breath of fresh air."§

The comprehensive British Report of the Committee on Broadcasting, 1960—the so-called Pilkington Report—registers particular complaints about the inclusion in British programming of material produced in the United States. "This criticism was not an expression of xenophobia," the authors of the Report note, "but a condemnation of the poor quality of the product and of the values depicted by it." And the British Broadcasting Corporation told the Committee that it had to reject many American westerns, a species which accounts for a large proportion of our own TV fare, "because they contained excessive violence and sadism."\*\*

Sadism and crime, the low level of taste, imbecility—these are only one aspect of what is wrong with television and radio entertainment. Even more important is the persistent mendacity of what is being broadcast. It has been

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\* "Drama, comedy-variety, music, and quiz shows are the staples of television's daily programming diet... They are virtually all in the realm of entertainment. With the exception of news shows, none of them are concerned with ideas or information." Bogart, *The Age of Television*, p. 51.

† *New York Times*, May 10, 1961.

‡ Quoted in Weinberg, *TV in America*, p. 259.

§ *New York Times*, November 9, 1959. An excellent account of the quiz shows is given in Weinberg, *TV in America*. [Editor's note: See also Leo Huberman and Paul M. Sweezy, "The TV Scandals," *Monthly Review*, December 1959, pp. 273-81.]

\*\* Report of the Committee on Broadcasting (Pilkington Committee Report) (London: HMSO, 1962), Cmd. 1753, par. 109, and par. 120. [Editor's note: On the Pilkington Committee Report, see Raymond Williams, *Communications*, second edition (London: Chatto and Windus Ltd., 1966), 156-59]

argued that the phony quiz shows, once exposed, will not be permitted to occur again. This is really beside the point. It is not the particular form of swindle and deception that is important but the basic fact that it is swindle and deception that incessantly fill the air.

The dominance of the lie is not confined to explicit advertisements. The lie also permeates most of the television day. The world presented on TV is not the real world with its conflicting interests, its irrationalities, its tensions, but also with its unending struggles and tremendous potentialities for betterment. It is an artifact which conjures up a tendentious, utterly misleading image of reality. As one study said:

Content analyses of daytime serials, TV dramas, short stories in popular magazines, and other entertainment features, consistently revealed that the dramas were typically played out in worlds wherein the best people were native Americans, wherein conflicts stemmed essentially from individual inadequacies and very rarely from social forces, and wherein any deviation from culturally unquestionable behavior led to catastrophe. Films derived from books were found typically to omit or temper any social criticism which might have been in the original, and to tighten the bonds of poetic justice.\*

And one of the more conservative students of mass communications adds:

There can be little doubt about that the dramatic fare offered on television (one of television's most popular type of program, and one which accounts for nearly half of the total service) avoids many legitimate dramatic themes, characters, plots, situations, and outcomes. In the category of discussion there are doubtless many ideas about politics, religion, economics, race, and other sensitive subjects which never receive adequate representation in the broadcast service.†

It would be wrong to suppose that this "factory of dreams" merely transplants the viewer into an unreal fairyland, offering him a welcome opportunity for rest and recreation after a hard day of work and worry. It rather propagates attitudes, emotions, and concepts which by their very incongruity with real life accentuate his sense of loneliness, bewilderment, and futility. By befogging the nature and the cause of his suffering, the brainwashing process carried out by television and other mass media contributes to a crippling of the individual's mental and emotional capabilities. By helping to instill in him a phantasmagoric image of his existence, it disarms him both on the social and the individual plane. "Thus, people may not only lose true insight into reality, but ultimately their very capacity for life

\* Joseph T. Clapper, *The Effects of Mass Communication*, Glencoe, Illinois, 1960, p. 39.

† Head, *Broadcasting in America*, p. 441.



experience may be dulled by the constant wearing of blue and pink spectacles."\*<sup>5</sup>

And as this sham dominating the world of mass communications becomes increasingly transparent through daily confrontation with reality, the individual brought up under its incessant impact cannot but lose his faith in what he reads, watches, and listens to. Learning from childhood that the mass media are for the most part purveyors of swindle, he "matures" by growing increasingly cynical about all the purported values and truths he is urged to accept. The knowledge that the racket constitutes the normal way of life merges with the impotent feeling "Who am I to say what is right and wrong?" People ultimately reach the attitude described by [an astute critic]<sup>6</sup>: "In modern American society there is a secret understanding, shared by almost everyone and obliquely expressed by the mass media only in tabloids and exposé magazines, that all public life and all public institutions are a fraud. Contemporary society itself is widely assumed to be fixed."†

This secret understanding relates also to private existence and personal relations. It discounts as corny all talk about the family as the source of harmony and happiness, it scorns as sentimental all tales of love, it yawns at the mere mention of honor, duty, solidarity, and devotion to ideas. Narrowing love to sexual attraction, and other human relations to personal advantage, it undermines the meaning of both and helps destroy the very capacity for affection, sexual gratification, friendship, and sympathy, which have always been the sources of both human suffering and human fulfillment.

The increasing awareness of the falsehood of what is conveyed by society's cultural apparatus does not result in a heightened search for truth, reason, and knowledge, but rather in the spread of disillusionment and cynicism. Summing up a national survey by twelve reporters of *Look* after the 1959 quiz show scandals, one of the magazine's editors, William Attwood, observed that "moral indignation is out of fashion; it isn't smart to get mad.... Americans do not seem to feel any personal responsibility for improving the nation's moral condition."‡

In the age of monopoly capital, of limitless manipulation of the individual in the interest of corporate profits, the notions of individual dignity and responsibility, the concepts of freedom, justice, and honor, are often little more than obsolete residues of outlived ideologies generated by earlier social orders. Their breakdown in the face of the new realities, however, does not signify, as some have claimed, the end of all ideology, and the beginning of an era of

\* T.W. Adorno, "Television and the Patterns of Mass Culture," in Rosenberg and White, eds., *Mass Culture*, p. 484.

† Murray Hausknecht, "The Rigged Society," *Dissent*, Winter 1960, quoted in Weinberg, *TV in America*, p. 268.

‡ Quoted in Weinberg, *TV in America*, p. 245.

sober scientific thinking. It marks rather the evolution of one ideological structure into another; the tough, hard-boiled, matter-of-fact distrust of anything resembling an ideal, the disdain for everything that transcends the immediately tangible reality, the cynical exposure of the hypocrisy of the officially professed values—this is the ideology of our society, the ideology of monopoly capital.

It is the nature of “false consciousness,” which was Engels’s definition of ideology, to be not merely a jumble of thoughts unrelated to reality, but also to encompass a partial, biased view of reality, half-truths, reflecting some important aspects of it without encompassing its totality.<sup>7</sup> And under monopoly capitalism the ever more widely held conviction that the culture dispensed by mass media is essentially a lie constitutes in itself the principal truth grasped by society’s consciousness. The spreading truth that no one individually can put an end to this systematized stream of mendacity is the principal insight that seems to be dawning upon that mendacity’s captive audience.

The apprehension of the lie and the proliferation of cynicism stemming from it capture only half the truth. The other half remains foreclosed. That other half relates to the existing and expanding possibilities for a different, more rational, more human existence. While the only tasks worthy of society’s cultural effort—whether as intellectual persuasion, aesthetic expression, or moral appeal—are to advance people’s understanding of reality and to widen their view of their potentialities, the cultural apparatus of monopoly capitalism serves quite opposite ends. It aims to make people accept what is, to adjust to the tawdry reality and to abandon all hope, all aspiration for a better society. Unless powerful social and political forces halt this drift, the conjecture of Norman Mailer may be borne out by the historical process: “Nineteenth-century capitalism exhausted the life of millions of workers; twentieth-century capitalism can well end by destroying the mind of civilized man.”\*

## Notes

1. The concept of the “cultural apparatus”—and more particularly the “cultural apparatus of monopoly capitalism”—opens and closes Baran and Sweezy’s analysis of culture and communications in this chapter. For the historical development of this category within Marxism see the introduction to this issue. See also Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1966), 339.
2. Baran and Sweezy had discussed whether to include elite culture as well as mass culture at some point in their analysis, but they decided in the end either to confine the analysis to the latter or would have made the changes in the final draft. On December 5, 1962 Sweezy wrote to Baran: “Somewhere in QOS (2) [Quality of Monopoly Capitalist Society II] there should, I think, be a discussion of the ‘elite culture’ in which our intellectuals and would-be intellectuals plunge themselves—art galleries, Japanese prints, hi-fi, foreign films (and their U.S. imitators), and all the rest. Quantitatively all this is by no means unimportant, and qualitatively some of it is no doubt good to excellent. But seen in its relation to the system as a whole (which is the way we must try to see everything), it merely emphasizes the lack of human solidarity (also reflected in the content of the elite culture), the torn-apartness, the alienation, the futility, the sickness of the society. I don’t

\* Norman Mailer, *Advertisements for Myself*, New York, 1959, p. 436.

- know just where this belongs, and perhaps you have plans for doing something of the sort at the end. But I think it is important that it be included, because many of our readers will be precisely those who are most addicted to the elite culture (for which one cannot blame them since one has to do something with oneself) and will accuse us of being 'unfair' or presenting an 'unbalanced' picture if we don't discuss it. The discussion needn't be long and certainly doesn't have to denounce or even criticize (in fact, a wonderful critique of monacop society could be developed via a content analysis of elite culture); the point would be simply to put the thing in its proper setting and perspective." To this Baran replied on December 7, 1962: "I do have in mind to say something about 'elite culture,' but haven't quite decided where and how. My first idea was to put it at the end of what you have read so far, but I thought this would overload the chapter, and I resolved to return to it in IS ["The Irrational System"—the concluding chapter of the book] precisely because I felt that it should be dealt with in reference to the system as a whole, its consciousness. QoS I and QoS II are directed towards "the state of the people"—in IS I thought I would talk a little about the 'ideas of the age.' That's why I did not refer to 'good' books—Hemingway, Steinbeck, and company—or 'good' arts.... This is perhaps wrong but it is not an omission; it is a commission." [Editor's note: the ellipses preceding this final sentence are the author's. The source of the above letters is the Baran Papers, Monthly Review Foundation.]
3. This paragraph (including the footnotes associated with it) is an abridged version of two lengthy paragraphs that were deleted in the final draft of the chapter prepared by Sweezy. In the original draft by Baran the first three sentences and the remainder of the paragraph were in distinct paragraphs separated by illustrative material. We have included these passages from the deleted material because of what we regard as their importance for the overall analysis.
  4. Baran and Sweezy's critique of advertising was developed more fully in their "Theses on Advertising" (reprinted in this issue) and in their chapter on "The Absorption of the Surplus: The Sales Effort," in *Monopoly Capital*, 112–41.
  5. Baran was a close reader of Adorno's work and considered his dialectical deconstruction of Huxley's *Brave New World* (and the implications of this analysis in relation to "literati" like Orwell and Koestler) to be "masterful." See Paul A. Baran, *The Political Economy of Growth* (New York: Monthly Review Press, 1957), 297–98; Theodor Adorno, *Prisms* (Cambridge, MA: MIT Press, 1967), 95–117.
  6. The words "an astute critic" here have been inserted to replace a name error in the draft text.
  7. The reference is to Engels's 1893 letter to Franz Mehring where he introduces the term "false consciousness" in defining ideology. Baran and Sweezy here give this a sophisticated interpretation, connecting it to the general treatment of ideology by Marx and Engels in *The German Ideology*. See Frederick Engels to Franz Mehring, July 14, 1893, in Karl Marx and Frederick Engels, *Selected Correspondence* (Moscow: Progress Publishers, 1975), 433–37; Karl Marx and Frederick Engels, *Collected Works*, vol. 5 (New York: International Publishers, 1975), especially 59, 62.

# St. Brecht and the Theatrical Stock Exchange

Eleanor Hakim

*This is an abridged version of an article by the same title published in Review1, launched in 1965 as Monthly Review's literary supplement. Eleanor Hakim was the managing editor of Studies on the Left in its first few years. At the time she wrote this article she was teaching at the New School for Social Research in New York City. Her essay dealt with Brecht's theory of the subversive role of the artist in confronting what he conceived as the "cultural apparatus" and how this affected his theory of epic theater. Hakim was particularly concerned with demonstrating that Brecht's critical outlook was confirmed by the way that, after his death, the U.S. cultural apparatus ("the theatrical stock exchange" of her title) was manipulating and de-radicalizing his drama. In this context, she drew out the significance of Brecht's revolutionary humanism.*

*This abridgement retains Hakim's more general analysis, while removing most of the content related to the specific theater productions of the 1960s related to the dramatization of Brecht's plays—since these specific productions, now almost fifty years later, are no longer of direct relevance to most of our readers. For those wishing to read her entire article we have placed it on the MR webpage. —Eds.*

The purpose of this essay is to discuss the radical nature of art—in this case, drama—and the way in which it is utilized in present-day American society. The plays of Bertolt Brecht provide a particularly fruitful test case for this study insofar as his works, which were explicitly intended to function as more than "culinary" entertainment, are today becoming hot commodities on the theatrical stock exchange. During the past decade, what might be called market research in the off-Broadway and university theaters, and, more recently, in summer stock, has primed and whetted Broadway audiences for a slew of prestigious productions of the most radical plays of the twentieth century.

Left-wingers and left-liberals alike have drawn comfort from the box-office appeal of Brecht's plays, interpreting the emergence of a Brecht cult as a liberalization in the prevailing ideology. Left-wingers, feeling a vicarious stirring of a revolutionary fervor, take delight in the promulgation of a socialist

message on the American stage, while tired radicals and left-liberals support these plays out of nostalgia for a cause presumably lost. However, both responses are no more to the point than those of the Establishment liberals who view the productions strictly in terms of their formal characteristics, and who later announce proudly that they weren't moved in the least; that it was harmless, unrevolutionary fare after all.

Attitudes of either praising or blaming a work of art according to the extent of its social impact derive from the erroneous expectation that the work of art, in itself, can countervail existing political and ideological values. But the social organization which generates these values, now relatively stabilized, is capable of accommodating perspectives which are at variance with it. Today, instead of revitalizing society, art is devitalized by the social use—specifically as commercial entertainment—to which society reduces it. And such changes in the social utilization of a work of art result in a change in its meaning—which is accomplished by a subtle manipulation of the cultural apparatus, that is, of the very process and means by which a work of art is brought to the public in this era of speculators, promoters, and middlemen.

Unlike his well-meaning champions, Brecht understood that a commodity-oriented society does not allow its cultural apparatus to be appropriated for a radical function; rather, the apparatus appropriates, distorts, nullifies, and uses art for its own ends. "The apparati do not work for the general good; the means of production do not belong to the producer; and as a result his work amounts to so much merchandise, and is governed by the normal laws of mercantile trade. Art is merchandise...."<sup>1</sup> Brecht realized that although the artist is "theoretically in a position to appoint a new function for the theater," in fact "the theater itself resists any alteration of its function": "This apparatus resists all conversion to other purposes, by taking any play which it encounters and immediately changing it so that it no longer represents a foreign body within the apparatus...."<sup>2</sup>

To counteract the neutralizing effects of a theater apparatus that disseminates hypnotic illusion like a dream factory, Brecht developed such innovations in the drama and opera as epic theater techniques, the alienation-effect, music as *gestus*, and parable treatment to demonstrate the contradictions inherent in contemporary social institutions.\* But despite his efforts to inculcate a "critical attitude" in the spectator, the audience remains free to evade a confrontation with the "historical" view, by occupying itself with no more than the formal aspects of the theatrical experience. Brecht, a genuine artist, did not attempt to infiltrate the mind with ideology; rather, he attempted to create a theater of consciousness, reason, and choice. And this is

\* On the techniques in Brecht's dramaturgy, including "alienation effect" and "gestus" see Bertolt Brecht, *Brecht on Theater* (New York: Hill and Wang, 1964), 91–106.—Eds.

precisely why it is possible for the audience to get the message, and to choose to reject it.

To be sure, Brecht wanted the actor to use the alienation technique to effect social consequences: "He prompts the spectator to justify or abolish these conditions according to what class he belongs to."<sup>3</sup> But there remains a third alternative: the spectator can acknowledge the truth of the demonstration and then choose neither to justify nor to abolish these conditions. Rather, he can choose to ignore the social application of the lesson; the spectator can refuse to apply the logic of art to altering the chaos of life. The point then would be at least to make the spectator aware that his choice is conscious.

But spectators whose interests have been conditioned in terms of an apposite value system cannot be radicalized merely by exposure to a radical play. In a society where art does not play a vital role in life, and where learning has been reduced to a commodity, the audience, as a whole will choose to respond by being "refreshed" rather than by being moved to make new social choices.<sup>4</sup>

However, this reflects upon neither the failure of the play nor the failure of the playwright's methodology and technique; rather, it reflects upon the failure of a specific society or segment of society at a particular point in time and conditioned by a particular set of circumstances. That is to say: the qualities which constitute the artistic value of the play remain inherent in it, and the artist cannot be held responsible for the limitations of his audience, particularly when his audience is viewing his work in a period and milieu different from that in which the work was created. Brecht's understanding that "the radical transformation of the theater" has to "correspond to the whole radical transformation of the mentality of our time" remains perhaps more tragically true for us today than it was for German society in 1927.<sup>5</sup>

The onus then is not upon the artist, but upon the society which, when exposed to new points of view and fresh perspectives that may illuminate the fabric of its life, rejects this plane of encounter and focuses its interest on peripheral and superficial value fragments of the whole. In terms of the social psychology of audience responses, can it not be said that such an audience is reacting in an inflexible, unhealthy, stultified, and ultimately neurotic manner? And does not the repetition of such an inadequate response indicate a failure in the vitality of the democratic spirit which implies the ability to make new and meaningful choices commensurate with the new situations and changes occurring in an ever evolving reality? Furthermore, if culture is defined as the enlightenment and refinement of taste and understanding acquired by intellectual and aesthetic training and experience, it can be said that such audiences which refuse to expand their social viewpoints and value systems, or to learn from the experience with which the drama confronts them, remain uncultured, no matter how often they are exposed to the works that are

currently in vogue. In this respect, they remain essentially philistine, no matter how many theatrical performances they religiously bring their bodies to, and no matter how many titles and artists they are capable of naming.

As a prerequisite for creating a healthy, flexible, and democratic society, the artist must be reinstated in his socially regenerative role. To this end the critic should apply himself. We must restore to the cultural process its inherent function: that of providing an existential consciousness of oneself and of reality which may enable the individual and the social unit to be open to change, development, and growth in making effective and authentic choices—be it personal, psychological, philosophical, social, or political.

The task of the critic today should be to aid the audience in articulating and comprehending the dynamics of the work of art and the aesthetic and intellectual value-system of the artist inherent in it. Instead, the relationship between present-day American theater and society is such that the critic performs the function of public relations man, making the work of art palatable by presenting it in superficial terms which fit the narrow perspectives and status-quo values of the audience, rather than educating the audience to grasp the essential dynamics of the work of art, and the way in which such dynamics may expand the limits of the current mode of perceiving reality. Moreover, the critic today serves the function of providing elaborate rationales and mechanisms by which the audience can evade a confrontation with what may be innovating and unsettling in the work of art.

The point to be made here, particularly as it applies to the production of Brecht's plays in America, has to do with the manner in which critics and promoters attempt to mediate between art and the audience—not in order to increase the audience's comprehension of the nature of the work of art, but in order to make the work of art adapt to the tone and temper of the audience. By this means, art is prevented from expanding the horizons of the society. The work of art and the subsequent response to it is emasculated, devitalized, rationalized, so that conformity to the limitations of the society is retained. People are encouraged to see no more than they want to see; they can be safely entertained without being enlightened.

We might well ask, now that Brecht is in vogue, just what is it that liberal New York audiences have been seeing and acclaiming? For the apparatus of the commercial theater has succeeded, by and large, in de-radicalizing the essential dynamics of his plays. Brecht, after his death, has been appropriated and canonized by those very same manipulative forces that he depicted in *St. Joan of the Stockyards* and against which he dedicated a lifetime of opposition. Thus, the personal mechanisms by which an individual avoids a confrontation with the essentials of a drama are augmented by social mechanisms of defense and by rationales provided by the mediators of drama. These mechanisms deserve to be categorized.

### Brecht Among the Moguls

A play is promoted as exotic, chic, intellectually “in” and “avant-garde” to give it snob appeal. The audience is conditioned to have an ego-stake in simply attending the performance, with the corollary of being challenged to feel that they are equal to if not above it. There is no incentive to understand the play, but merely to be able to say something about it—either by praising or deprecating it—which asserts the playgoer’s Brahmin status. The philosophic, stylistic, or political radicalness of the play can be made to seem tantalizingly daring; the audience is permitted to limit its response to self-congratulation at exposing itself to “dangerous” drama without changing its day-to-day consciousness of human and social reality.

Harold Clurman, writing in the *New York Times Magazine* in an effort to drum up trade for the 1963 Broadway opening of *Arturo Ui*, began his generally informative article with the question: “Have you ever heard of Bertolt Brecht?”—adding that such a question might be considered as an insult by the “English, French, Swiss, Scandinavian, Israeli, or even Japanese playgoer.”<sup>6</sup>

As for Brecht’s social and political views, Clurman writes: “During the early thirties, Brecht sought a discipline to counteract both the turmoil within him and the external public breakdown. He found it in Marxism.”<sup>7</sup> (The reader with a vital sense of history will realize that the phrase, “external public breakdown” is a gloss for Nazism, the Second World War, concentration camps, and crematoriums.) But Clurman coyly adds that even those “didactic” plays “rose above politics through a subtle artistry which always says something more than, and different from, their presumed ‘lesson.’”<sup>8</sup> Surely, this is a back-handed compliment, when it was exactly this synthesis between concept and subtle artistry that Brecht, like any other engaged artist, was striving for.

Again, in regard to the plays of Brecht’s mature period, written between 1943 and 1949 (*The Good Woman of Setzuan*, *The Private Life of the Master Race*, *The Caucasian Chalk Circle*, *Mother Courage and Her Children*), we are assured that, “What distinguishes them is not what they ‘preach’ but their universally human import and their theatrical originality.”<sup>9</sup> Universalizing in such a spirit is a typical expression of what Sartre terms the “abstract liberalism” which acknowledges the outsiders under the general category of being men, but at the price of denying them as “concrete and individual products of history.”<sup>9</sup>

### Brecht sans Bite

Production values can sentimentalize the play and reduce it to the lowest common denominator of entertainment. Using an analogy aptly suited to the mores of a sophisticated summer colony, the reviewer of the *East Hampton*



## ST. BRECHT AND THE THEATRICAL STOCK EXCHANGE

*Star* found the road version of *Brecht on Brecht*, "soporific," complaining that what little is left of him has been house-broken like some embarrassingly large poodle, powdered, put on a leash and muzzled down to a small bark and no bite. Bertholt Brecht was a man, however, not a dog. A man who tried to achieve humanity and freedom for himself and others through political action: every play, poem, or song was an act of agitation propaganda. To perform Brecht for purely aesthetic qualities is not performance but denial.<sup>10</sup>

Writing of the [New York] revival of the socially and politically emasculated *Brecht on Brecht*, Saul Gottlieb in the *Village Voice* astutely commented that

the Brecht that this show gives us is not only partly Brecht, but a Brecht that never was, a Brecht that *fits* in neatly with the liberal self-image: anti-Nazi, pro-poor, Broadway—clever, intellectual, disdainful of actors, sentimental about prostitutes, and a man of good will. Well, the Brecht boom is on, and there's no sense rocking the boat, especially if you want a full house every night. It's no accident that much of the show is a reprise of the Marc Blitzstein version of "Threepenny Opera," which translated the bite of the original text down into the sardonic mood of American ex-radicals of the 50's.<sup>11</sup>

Furthermore, as the *Threepenny Opera* ground its way into its second and third years (with many cast changes), increased emphasis was put upon its raciness and leering shock value for the benefit of those who were now coming from the backwaters of the outerlying boroughs to witness its libertine naughtiness....

### Brecht as Brecht\*

Unlike today, the European drama of the twenties was avant-garde in the full sense of the term. The ideological framework of industrial bourgeois complacency, nationalism, sentimentalism, and laissez-faire optimism was belied by the horrors inflicted upon individuals in the first of the great capitalist wars. Inflation was rampant; the social organization was obviously unstable despite the euphoria; everything was permitted. It was the social chaos that preceded and precipitated individual chaos. Men of sensibility were in revolt against the myth of the nation-state, of a place for everyone in this best of all possible social organizations. The individual's alienation from an integrated literature, the theater and the arts, experimental forms—attesting to the anguish of man in modern, industrial, capitalist society—mirrored, indicted, and lashed out against the bourgeois lie that had caused the death

\* This subtitle, not in the original article, has been added in this abridgement. —Eds.

and dislocation of so many talented and innocent people. Men, women, and children had suffered and died in vain. The only honorable stance possible against the perpetuation of the bourgeois myth was that of rebellion, rejection, and the attempt to shock people out of this most dangerous complacency.

To say "no" to an inhuman social anarchy masquerading as absolute laws of social organization was a moral stand. Rebellion against, and rejection of, such chaotic values was a pointed nihilism. The First World War had proved that the human will was "weak and malleable," and that it could be "savage, brutal, and uncontrolled." But men like Brecht did not condone the conditions by which "man is forced to conform by a cruel, oppressive society." Rather, they illustrated the methods by which this was accomplished—as a means of unmasking them. And it was not so much that man "must conform in order to suppress the murder in his heart"; rather it was a protest against the fact that man, in order to survive, was forced by the society to suppress his humanity and to take murder into his heart.<sup>12</sup> Furthermore, Brecht illustrated that it was bootless to attempt to transcend the hypocritically concealed, and spirit-deadening bourgeois social anarchy by means of the anarchy of a self-defined code of romantic individualism, when the only way to achieve such transcendence is through those very social mechanisms and milieu against which one is rebelling....

Romanticism and rigidity rest not with Brecht but with the social psychology of our times, and, unfortunately, with those critics...who entertain "ambiguous feelings" towards Brecht's demonstrations, even going so far as to regard *Mother Courage* as an expression of Brecht's "death-wishing."<sup>13</sup> However, the play is not so much a didactic exposition of the pacifist doctrine that "War is evil," or even "a relentless Marxist indictment of the economic motives behind international aggression."<sup>14</sup> It is less a matter of Marxism than it is of sociology. The play is actually a demonstration that *Mother Courage* "has learned *nothing*"; that the store of shrewd tricks which the peasant and small tradesman have traditionally used to insure their survival, like the crackpot realism of our present day, is inadequate and outmoded as a means to transcend the upheavals and conflagrations of total warfare.<sup>15</sup>

For Brecht was less concerned with teaching us what to think than he was with illustrating the necessity to think in fresh and meaningful ways commensurate with dealing with the complex social forces that threaten our very lives as well as the fundamental values of human existence. As Karl Mannheim, a leading non-Marxist sociologist and contemporary of Brecht, put it:

It is clearly fallacious to regard reflectiveness—as many romantic thinkers do—as being under all circumstances a life-extinguishing force. On the contrary, in most cases, reflectiveness preserves life by helping us to adjust

ourselves to new situations so complex that in them the naive and unreflective man would be utterly at a loss.<sup>16</sup>

By illuminating the dynamics of such complex new situations in all of their subtle variations, Brecht makes it possible to grasp objectively the neurosis and waste of a social organization which allows, necessitates, and in fact, institutionalizes such conflict, such irresolution.<sup>17</sup> And from this springs the conclusion that man must collectively change the social organization in order to make it possible for him to fulfill his human potentialities. One either changes oneself rather than the world, or one changes the world rather than oneself. But, when society has reached the point where to conform means to deny one's own most human instincts, and to adopt a schizophrenic mode of coping with its conflicting platitudes and dicta, then it is a suicide of the spirit not to attempt to change the world. Furthermore, to fail to recognize such a truth about the epoch in which we live in itself represents a neurotic and inflexible response to reality which, as happened in Germany in the late twenties, we can afford to ignore only at our own peril.

Brecht tried to create an "objective" theater of learning and choice, to which the spectator would bring a "passionate...attitude of criticism," and where he would see "models of men's life together such as could help the spectator to understand his social environment and both rationally and emotionally to master it." This too, was less a matter of Marxism than of sociology....<sup>18</sup>

Brecht well understood that to write in the tradition of the "eternally human" and "universal situations"<sup>19</sup> of the bourgeois theater of his time would ultimately result in dispensing a dangerous, narcotic rationalization of fascism. Instead, Brecht attempted to have his "art try, by its *own* means...to further the great social task of mastering life," by inculcating a reflective, "historical way" of thinking in humanistic terms of "man as a function of the environment and the environment as a function of man, i.e., the breaking up of the environment into relationships between men."<sup>20</sup> The technique by which he attempted to accomplish this dramaturgically—the "alienation-effect"—is, in this sense, akin to Mannheim's concept of social "distantiation," so necessary to being able to orient oneself rationally to the changes and complexities of the modern world....<sup>21</sup>

The essential value and significance of Brecht's drama is not that he is radical in a politically proselytizing way, but rather that he has succeeded in demonstrating in aesthetic terms an existential concern for the individual, which has been integrated with sociologically scientific insight into the roots of the fundamental contradictions and pressures of modern society and history. Therefore, in order to comprehend fully his drama, and indeed the artistic output of our period, it is necessary for the critic of culture also to display a

more scientific and sociological attitude....

It is important that we understand the culture of our times and where each of us stands in relation—often contrapuntal—to these complex moments in history in which we are immersed and which art most comprehensively manifests and, intentionally or not, documents. A community of existential and socio-historic understanding is necessary before we can begin to comprehend the values fundamental to creating a genuine social community....

## Notes

1. Bertolt Brecht, "The Modern Theatre is the Epic Theatre" (Notes to the opera *Aufstieg und Fall der Stadt Mahagonny*), in Bertolt Brecht, *Brecht on Theater*, ed. & trans. John Willett (HBJ and Wang: New York, 1964), 35.
2. Ibid, 43, "The Literarization of the Theatre (Notes to the *Threepenny Opera*)."
3. Ibid, 139, "A Short Description of a New Technique of Acting which Produces an Alienation Effect."
4. Ibid, 72, "Theatre for Pleasure or Theatre for Instruction."
5. Ibid, 23, "The Epic Theater and its Difficulties."
6. Harold Clurman, "Brecht is Global, Except Here," *New York Times Magazine*, November 3, 1963.
7. Ibid, 30.
8. Ibid, 33.
9. Jean-Paul Sartre, *Anti-Semite and Jew* (New York: Grove Press, 1962), 117.
10. D.G.R., *East Hampton Star*, July 18, 1963.
11. Saul Gottlieb, *The Village Voice*, July 18, 1963.
12. Robert Brustein, "Brecht on the Rampage," *New Republic*, October 1, 1962, 28.
13. Eric Bentley, Introduction to *Seven Plays by Bertolt Brecht* (New York: Grove Press, 1961), xlii.
14. Robert Brustein, "Brecht on Broadway," *New Republic*, April 13, 1963.
15. Brecht, *Brecht on Theater*, 221.
16. Karl Mannheim, "Rationality," *Man and Society in an Age of Reconstruction* (London: Routledge & Kegan Paul, 1940), 67.
17. Karl Mannheim, "The Age of Planning," *Essays on Sociology and Social Psychology* (London: Routledge & Kegan Paul, 1953), 259: "Indeed, it is not wholly wrong to speak of our times as a 'neurotic age,' neurosis being its characteristic illness, provoked by a series of institutionalized conflicts."
18. Brecht, *Brecht on Theater*, 133, 227.
19. Ibid, 96.
20. Ibid.
21. Karl Mannheim, "The Problem of Democratization," *Essays on the Sociology of Culture* (London: Routledge & Kegan Paul, 1956), 207.



**Correction:** In Samir Amin's "The Surplus in Monopoly Capitalism and the Imperialist Rent" (*AMR*, July–August 2012) there was an error on page 76 in endnote 1. The clarification states that the rate of exploitation is equal to "wages divided by profits"; in fact, it should be the opposite.



# Communications in Capitalist Society

Ralph Miliband

In no field do the claims of democratic diversity and free political competition which are made on behalf of the “open societies” of advanced capitalism appear to be more valid than in the field of communications—the press, the written word generally, radio, television, the cinema, and the theatre. For in contrast to Communist and other “monolithic” regimes, the means of expression in capitalist countries are not normally monopolized by, and subservient to, the ruling political power. Even where, as is often the case for radio and television, agencies of communication are public institutions, or mixed ones, they are not simply the mouthpieces of the government of the day and exclusively the organs of official policy or opinions; opposition views are also heard and seen.

Nor, as occurs in many regimes where communications are *not* monopolized by the state, do those who work for them have to fear extreme retribution because what they communicate or allow to be communicated happens to offend their government or other public figures or bodies. No doubt they are subject to various legal and other official restraints and pressures, sometimes of a severe kind. But these restraints and pressures, which will be considered presently, only qualify the notion of independence of the communications media from state dictation and control; they do not nullify it.

Indeed, it cannot even be said that views which are profoundly offensive to various “establishments,” whether they concern politics or culture or religion or morals, are narrowly confined to marginal and *avant-garde* channels of expression, patronized only by tiny minorities.

Such “controversial” views do find their way, in all these countries, in mass circulation newspapers and magazines, they are presented in book form by large publishing houses, often in vast paperback editions;<sup>1</sup> they are heard on the radio and seen expressed on television; they inspire films which are shown by major cinema circuits, and plays which are performed in the “commercial” theatre—and no one (or hardly anyone) goes to jail.

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Excerpted from “Politics and Legitimation—II” in Ralph Miliband, *The State in Capitalist Society* (London: Merlin Press, 2009; original publication date 1969), 159–73. Reprinted by permission.

The importance and value of the freedom and opportunity of expression is not to be underestimated. Yet the notion of pluralist diversity and competitive equilibrium is, here as in every other field, rather superficial and misleading. For the agencies of communication and notably the mass media are, in reality, and the expression of dissident views notwithstanding, a crucial element in the legitimation of capitalist society. Freedom of expression is not thereby rendered meaningless. But that freedom has to be set in the real economic and political context of these societies; and in that context the free expression of ideas and opinions *mainly* means the free expression of ideas and opinions which are helpful to the prevailing system of power and privilege. Indeed, Professor Lazarsfeld and Professor Merton once went as far as to suggest that:

Increasingly the chief power groups, among which organized business occupies the most spectacular place, have come to adopt techniques for manipulating mass publics through propaganda in place of more direct means of control.... Economic power seems to have reduced direct exploitation [?] and turned to a subtler type of psychological exploitation, achieved largely by disseminating propaganda through the mass media of communication.... These media have taken on the job of rendering mass publics conformative to the social and economic status quo.<sup>2</sup>

The ideological function of the media is obscured by many features of cultural life in these systems, for instance the absence of state dictation, the existence of debate and controversy, the fact that conservatism is not a tight body of thought and that its looseness makes possible variations and divergencies within its framework, and much else as well. But obscured though it may be, the fact remains that the mass media in advanced capitalist societies are mainly intended to perform a highly "functional" role; they too are both the expression of a system of domination, and a means of reinforcing it.

The press may be taken as the first and most obvious example of this role. Newspapers everywhere vary enormously in quality, content, and tendency. Some are sober and staid, others sensational and shrill; intelligent or stupid; scrupulous, or not; reactionary, conservative, liberal or "radical"; free from outside allegiance, or vehicles of a party faction or interest; critical of authority or blandly apologetic; and so on.

But whatever their endless differences of every kind, most newspapers in the capitalist world have one crucial characteristic in common, namely their strong, often their passionate hostility to anything further to the left than the milder forms of social democracy, and quite commonly to these milder forms as well. This commitment finds its most explicit expression at election time; whether independent of more or less conservative parties or specifically

committed to them, most newspapers may be relied on to support the conservative side or at least to be deeply critical of the anti-conservative one, often vociferously and unscrupulously so. This conservative preponderance is normally overwhelming.

At the core of the commitment lies a general acceptance of prevailing modes of thought concerning the economic and social order and a specific acceptance of the capitalist system, even though sometimes qualified, as natural and desirable. Most newspapers accept a certain degree of state intervention in economic and social life as inevitable and even praiseworthy; and some, greatly daring, may even support this or that piece of innocuous nationalization. Even so, most organs of the press have always been utterly dedicated to the proposition that the enlargement of the "public sector" was inimical to the "national interest" and that the strengthening of private enterprise was the condition of economic prosperity, social welfare, freedom, democracy, and so forth.

Similarly, and consistently, the press for the most part has always been a deeply committed anti-trade union force. Not, it should be said, that newspapers in general oppose trade unions as such. Not at all. They only oppose trade unions, in the all too familiar jargon, which, in disregard of the country's welfare and of their members' own interests, greedily and irresponsibly seek to achieve short-term gains which are blindly self-defeating. In other words, newspapers love trade unions so long as they do badly the job for which they exist. Like governments and employers, newspapers profoundly deplore strikes, and the larger the strike the greater the hostility: woe to trade union leaders who encourage or fail to prevent such manifestly unsocial, irresponsible, and *obsolete* forms of behavior. The rights and wrongs of any dispute are of minor consequence; what counts is the community, the consumer; the public, which *must* be protected, whatever the cost, against the actions of men who blindly obey the summons of misguided and, most likely, evil-intentioned leaders.

In the same vein, most newspapers in the capitalist world have always had the "extreme" left, and notably communists, on the brain, and have only varied in their attitude to that part of the political spectrum in the degree of virulence and hostility which they have displayed towards it. It is also the case that for such newspapers the history of the world since 1945 has largely been a Manichean struggle imposed upon the forces of goodness, led by the United States, against the forces of evil, represented by aggressive communism, whether Soviet or Chinese. Revolutionary movements are almost always "communist-inspired," and by definition evil, however atrocious the conditions which have given rise to them; and in the struggles of decolonization of this century, the attitude of the vast majority of newspapers has always ranged from strong antipathy to passionate hostility towards movements and leaders

(or rather terrorists) seeking independence.

All this, it should be stressed, has not been and is not simply a current of thought among many; it has been and remains *the* predominant, generally the overwhelming, current of thought of the national (and local) press of advanced capitalist countries.

As has also been stressed repeatedly in preceding chapters, this profoundly conformist outlook admits of many variations and deviations: it certainly does not preclude a critical view of this or that aspect of the existing order of things. And while social-democratic governments, however conservative their policies, must expect very much rougher treatment at the hands of the press than properly conservative ones, the latter are not at all immune from press criticism and attack. In this sense the press may well claim to be "independent" and to fulfill an important watchdog function. What the claim overlooks, however, is the very large fact that it is the left at which the watchdogs generally bark with most ferocity, and that what they are above all protecting is the *status quo*.

Many "popular" newspapers with a mass circulation are extremely concerned to convey the opposite impression and to suggest a radical impatience with every kind of "establishment," however exalted, and a restless urge for change, reform, progress. In actual fact, most of this angry radicalism represents little more than an affectation of style; behind the iconoclastic irreverence and the demagogic populism there is singular vacuity both in diagnosis and prescription. The noise is considerable but the battle is bogus.

For their part, radio and television similarly serve a mainly though again not exclusively conformist purpose. Here too the appearance is of rich diversity of views and opinions, of ardent controversy and passionate debate. These media, moreover, whether commercially or publicly owned, are either required, or in any case wish to suggest, a high degree of political impartiality and objectivity. Newspapers can be as politically involved and partisan, as biased in their presentation of news and views, as they choose. But radio and television must not.

In most ways, however, this assumed impartiality and objectivity is quite artificial. For it mainly operates in regard to political formations which while divided on many issues are nevertheless part of a basic, underlying consensus. Thus, radio and television in such countries as Britain and the United States may preserve a fair degree of impartiality between the Conservative, Liberal, and Labour parties, and the Republican and Democratic parties, respectively; but this hardly precludes a steady stream of propaganda adverse to all views which fall outside the consensus. Impartiality and objectivity, in this sense, stop at the point where political consensus itself ends—and the more radical the dissent, the less impartial and objective the media. On this view it does not seem extravagant to suggest that radio and television in all capitalist countries



have been consistently and predominantly agencies of conservative indoctrination and that they have done what they could to inoculate their listeners and viewers against dissident thought. This does not require that all such dissent should be prevented from getting an airing. It only requires that the overwhelming bias of the media should be on the other side. And that requirement has been amply met.

In countries where political life is dominated by parties which operate in a framework of consensus, this bias, to which otherwise opposed parties make a joint contribution, is easily overlooked. In countries such as France and Italy, where large Communist parties form the main opposition, the notion of political impartiality is more difficult to sustain. In the former countries, a general ideological bias has fewer immediately obvious political connotations, since the parties and movements which most suffer from hostility and discrimination form a small and even negligible political factor. In the latter, radio and television are much more directly involved in the political struggle and are in effect the instruments of the government parties, to be used against the opposition, with no nonsense about "equal time" or any such liberal luxury which political circumstances renders inappropriate. In France, both radio and television have been quite deliberately turned into Gaullist institutions, to be used to the advantage of the general, his government, and the party which supports them;<sup>3</sup> and similarly in Italy, these media have predominantly been the instruments of Christian Social Democracy and its governments.

In strict *political* terms, this is a very different situation from that which has prevailed in a country like Britain, where the Labour leaders have been assured since the war of some kind of parity with their Conservative opponents. In larger *ideological* terms however, the contrast has been rather less dramatic; and the point applies with even greater force to the United States where, it has been said, "organized business and such lesser interests as the major political parties and church groups have virtually a 'psychological monopoly' of the media. News and comment, entertainment, advertising, political rhetoric and religious exhortation alike are more concerned with channeling existing beliefs than with radically changing them."<sup>4</sup> As between all shades of the consensus on the one hand, and all shades of counter-ideology on the other, radio and television in all capitalist countries have ensured that the former had by far the best of the argument.

So far the mass media have been discussed as if their sole concern was with politics and ideology. This is of course not the case. Mainly political magazines and books form a very small part of the total, and all newspapers devote much space to matters which bear no direct or even indirect relation to politics—many newspapers in fact devote much more space to such matters than to political ones. Similarly, radio, television, the cinema, and the theatre

are not run *as* agencies of political communication and indoctrination; they are also, and even predominantly, concerned with "entertainment" of one sort or another. Indeed, in the case of the mass media which are privately owned and controlled, the overriding purpose and concern is with profit. This is also true of newspapers. Lord Thompson was not expressing a unique and eccentric view when he said that what he wanted from his newspapers was that they should make money.

On the other hand, making money is not at all incompatible with making politics, and in a more general sense with political indoctrination. Thus the *purpose* of the "entertainment" industry, in its various forms, may be profit; but the *content* of its output is not therefore by any means free from political and ideological connotations of a more or less definite kind.

The mass media are often attacked for their cultural poverty, their debased commercialism, their systematic triviality, their addiction to brutality and violence, their deliberate exploitation of sex and sadism, and much else of the same order. The indictment is familiar and largely justified.

But that indictment also tends, very often, to understate or to ignore the specific ideological content of these productions and the degree to which they are used as propaganda vehicles for a particular view of the world. "A superficial inventory of the contents and motivation in the products of the entertainment and publishing worlds in our Western civilization," Professor Lowenthal has observed, "will include such themes as the nation, the family, religion, free enterprise, individual initiative."<sup>5</sup> Such an inventory would in fact do more than include these and other highly "functional" themes; it would also have to note the marginal place allowed to themes of a "dysfunctional" kind. Professor Meynaud has said, in regard to the world of magazines that "with their tacit assumptions and the apparent neutrality of their articles they contribute to the formation of a climate of conformity which is one of the greatest assets of contemporary capitalism. In this respect, the role of women's weeklies that provide—without seeming to do so—a completely falsified view of our world, is essential."<sup>6</sup> The point is of more general application, and so is Raymond Williams's remark about what he calls "majority television," namely that it is "outstandingly an expression of the false consciousness of our particular societies."<sup>7</sup>

Furthermore, it is worth noting that much of the "message" of the mass media is not diffuse but quite specific. It would of course be ridiculous to think of such authors as Mickey Spillane and Ian Fleming (to take two writers whose sales have been astronomical) as political writers in any true sense. But it would also be silly to overlook the fact that their heroes are paragons of anti-Communist virtues and that their adventures, including their sexual adventures, are more often than not set in the context of a desperate struggle against subversive forces, both alien and homegrown. As has been said about

the anti-communism of the Spillane output, "it is woven into the texture of assumptions of the novel. Anyone who thinks otherwise is taken to be either treasonable or hopelessly naïve."<sup>8</sup> This kind of crude "ideology for the masses" does not permeate the whole field of "mass culture"; but it permeates a substantial part of it in most media. Nor of course is the rest of "mass culture" much permeated by counter-ideological material. There are not, on the whole, many left-wing and revolutionary equivalents of James Bond. It may be that the *genre* does not lend itself to it; and the political climate of advanced capitalist societies certainly does not.

## II

The nature of the contribution which the mass media make to that political climate is determined by the influences which weigh most heavily upon them. There are a number of such influences—and they all work in the same conservative and conformist direction.

The first and most obvious of them derives from the ownership and control of the "means of mental production." Save for state ownership of radio and television stations and of some other means of communications, the mass media are overwhelmingly in the private domain (and this is also true of most radio and television stations in the United States). Moreover, these agencies are in that part of the private domain which is dominated by large-scale capitalist enterprise. Ever more notably, the mass media are not only business, but big business. The pattern of concentration which is evident in all other forms of capitalist enterprise is also evident here: the press, magazines and book publishing, cinemas, theatres, and also radio and television wherever they are privately owned, have increasingly come under the ownership and control of a small and steadily declining number of giant enterprises, with combined interests in different media, and often also in other areas of capitalist enterprise. "The Hearst empire," it has been noted, "includes twelve newspapers, fourteen magazines, three television stations, six radio stations, a news service, a photo service, a feature syndicate, and Avon paperbacks"; and similarly, "in addition to magazines, *Time, Inc.*, also owns radio and television stations, a book club, paper mills, timber land, oil wells, and real estate."<sup>9</sup> The same kind of concentration is increasingly found in all other capitalist countries: the Axel Springer empire, for instance, alone controls over 40 percent of German newspapers and magazines, and close to 80 percent of Berlin newspapers. As for films, it has been observed that "in Britain, for example, film distribution is virtually dependent on two companies which run the circuit cinemas, and since films can normally be financed only on guarantees of distribution, this means that two companies have almost complete control over what films are to be made, and what subjects are acceptable."<sup>10</sup> And it is also noteworthy that new ventures in the mass media

are easily captured by existing interests in these or in other fields. Thus, Mr. Hall and Mr. Whannel, speaking of commercial television in Britain, note that "rather than spreading power into new hands, it has increased the power of those already holding it. More than half the resources of commercial television are owned in part by newspapers, the film industry and theatrical interests."<sup>11</sup>

Rather obviously, those who own and control the capitalist mass media are most likely to be men whose ideological dispositions run from soundly conservative to utterly reactionary; and in many instances, most notably in the case of newspapers, the impact of their views and prejudices is immediate and direct, in the straightforward sense that newspaper proprietors have often not only owned their newspapers but closely controlled their editorial and political line as well, and turned them, by constant and even daily intervention, into vehicles of their personal views.<sup>12</sup> In the case of Axel Springer's newspaper empire, it has been remarked that "he runs his papers like a monarch. He denies that there is any kind of central ideological control, and certainly such control is not formalized in any way. But Herr Springer is a man of the strongest political views. Deeply religious, a militant anti-communist, he has also a sense of mission. He may not direct his papers openly but his ideas seep downwards."<sup>13</sup> Much the same may be said of many newspaper owners in all advanced capitalist countries. The right of ownership confers the right of making propaganda, and where that right is exercised, it is most likely to be exercised in the service of strongly conservative prejudices, either by positive assertion or by the exclusion of such matters as owners may find it undesirable to publish. Censorship is not, in a free enterprise system, purely a state prerogative. No doubt, private censorship, unlike state censorship, is not absolute. But where no alternative source of newspaper information or views is readily available—as is mostly the case in many towns, cities, and regions in the United States,<sup>14</sup> and elsewhere as well<sup>15</sup>—such censorship is pretty effective all the same, particularly where other media such as radio and television are, as often in the United States, also under the same ownership and control.<sup>16</sup>

However, it is not always the case that those who own or ultimately control the mass media do seek to exercise a direct and immediate influence upon their output. Quite commonly, editors, journalists, producers, managers, etc. are accorded a considerable degree of independence, and are even given a free hand. Even so, ideas do tend to "seep downwards," and provide an ideological and political framework which may well be broad but whose existence cannot be ignored by those who work for the commercial media. They may not be *required* to take tender care of the sacred cows that are to be found in the conservative stable. But it is at least *expected* that they will spare the conservative susceptibilities of the men whose employees they are, and that

they will take a proper attitude to free enterprise, conflicts between capital and labor, trade unions, left-wing parties and movements, the Cold War, revolutionary movements, the role of the United States in the world, and much else besides. The existence of this framework does not require total conformity; general conformity will do. This assured, room will be found for a seasoning, sometimes even a generous seasoning, of dissent.

<sup>50</sup> In 1957 Mr. James Wechsler, the editor of the *New York Post*, delivered himself of some remarks about the American press which are worth quoting at some length, since they are of wider application:

<sup>51</sup> The American press [he said] is overwhelmingly owned and operated by  
<sup>52</sup> Republicans who fix the rules of U.S. political debate. And I use the  
<sup>53</sup> words "fix" advisedly.

<sup>54</sup> I know it is a freer press than any prevailing in Communist or Fascist  
<sup>55</sup> countries; but that is nothing to be complacent about. It is a press that has  
<sup>56</sup> generally grown comfortable, fat and self-righteous; and which with some  
<sup>57</sup> noteworthy exceptions voices the prejudices and preconceptions of  
<sup>58</sup> entrenched wealth rather than those qualities of critical inquiry and  
<sup>59</sup> rebellious spirit we associate with our noblest journalistic traditions.

<sup>60</sup> It is a press that is generally more concerned with the tax privileges  
<sup>61</sup> of any fat cat than with the care and feeding of any underdog.

<sup>62</sup> It is a press that sanctimoniously boasts of its independence and  
<sup>63</sup> means by that its right to do what its Republican owners damn please.  
<sup>64</sup> The press used to be regarded as a public trust, not a private playground.

<sup>65</sup> It is a press that is far more forthright and resolute in combating  
<sup>66</sup> Communist tyranny in Hungary than in waging the fight for freedom in  
<sup>67</sup> the United States.<sup>17</sup>

<sup>68</sup> With appropriate local variations, and with some few exceptions,<sup>18</sup> these  
<sup>69</sup> strictures would not seem irrelevant to the press of other capitalist countries.

<sup>70</sup> A second source of conformist and conservative pressure upon newspapers  
<sup>71</sup> and other media is that exercised, directly or indirectly, by capitalist interests,  
<sup>72</sup> not as owners, but as advertisers. The direct political influence of large  
<sup>73</sup> advertisers upon the commercial media need not be exaggerated. It is only  
<sup>74</sup> occasionally that such advertisers are able, or probably even try, to dictate the  
<sup>75</sup> contents and policies of the media of which they are the customers. But their  
<sup>76</sup> custom is nevertheless of crucial importance to the financial viability, which  
<sup>77</sup> means the existence, of newspapers and, in some but not all instances, of  
<sup>78</sup> magazines, commercial radio, and television. That fact may do no more than  
<sup>79</sup> enhance a general disposition on the part of these media to show exceptional  
<sup>80</sup> care in dealing with such powerful and valuable interests. But that is useful

too, since it provides a further assurance to business interests in general that they will be treated with sympathetic understanding, and that the "business community" will, at the least, be accorded a degree of indulgence which is seldom if ever displayed towards the labor interest and trade unions: *their* displeasure is a matter of no consequence at all.

Moreover the vastly superior resources which capitalist interests, as compared with any other, are able to deploy in the field of public relations are here acutely relevant. For these resources are also used to "soften up" the appropriate mass media, notably the press, which further contributes to the representation of the "business case" in the best possible light.

Professor Meynaud has suggested that the control which capitalist interests exercise over a large part of the press in Italy produces an "exemplary docility" on its part towards their "theses and preoccupations."<sup>19</sup> For France, it has been suggested that "the guidelines that money imposes on the press consist primarily in what is forbidden, in subjects not to be mentioned, rather than in directions as to what must be said."<sup>20</sup> The emphasis is bound to vary from country to country and from paper to paper. But whether the direct pressure of business interests is great or small, or even nonexistent, it is greatly to the financial disadvantage of newspapers and magazines everywhere to be "anti-business." Not surprisingly, organs of the extreme left, even where, as occasionally happens, they enjoy a substantial circulation, cannot rely on much advertising revenue from business sources<sup>21</sup>—or from government.<sup>22</sup>

A third element of pressure upon the mass media stems from government and various other parts of the state system generally. That pressure, as was noted earlier, does not generally amount to imperative dictation. But it is nevertheless real in a number of ways.

For one thing, governments, ministries, and other official agencies now make it their business, ever more elaborately and systematically, to supply newspapers, radio, and television with explanations of official policy which naturally have an apologetic and tendentious character. The state, in other words, now goes in more and more for "news management," particularly in times of stress and crisis, which means, for most leading capitalist countries, almost permanently; and the greater the crisis, the more purposeful the management, the evasions, the half-truths, and the plain lies. In addition, governments now engage more extensively than ever before in cultural management, particularly abroad, and use education and culture as instruments of foreign policy. By far and away the greatest effort in this field since the war has of course been made by the United States whose endeavors, notably in the third world, have given an entirely new dimension to the notion of "cultural imperialism."<sup>23</sup> Not, it should be said, that these endeavors, as shown by the uncovering of CIA activities in the cultural field, have neglected the advanced capitalist world, including the United States.

As far as newspapers are concerned, governments and other agencies of the state system may, in their desire to manage the news, resort to a variety of pressures and blandishments<sup>24</sup>—even threats<sup>25</sup>—which may be more or less effective. But they are, for the most part, forced to rely very largely on the cooperation and goodwill of publishers, editors, and journalists. In many cases, that cooperation and goodwill are readily forthcoming, since a majority of newspapers tend, broadly speaking, to share the view of the national interest held by governments which are mostly of the conservative persuasion. But where newspapers are recalcitrant, as is often the case for one reason or another, there is relatively little that governments can do about it. In this sense too, newspapers are independent institutions; and for all their shortcomings, that remains an important fact in the life of these countries.

Publicly owned radio and television, on the other hand, are “official” institutions, and as such much more susceptible than newspapers to a variety of official pressures. They may well, as in Britain, enjoy a high degree of independence and autonomy from government, but they remain nevertheless steeped in an official environment and permeated by an official climate, which ensure that in political and general ideological terms these media fulfill a conformist rather than a critical role. This does not prevent governments and official policies from being criticized and attacked. But criticism and attack tend to remain within a safe, fairly narrow spectrum. To paraphrase Lord Balfour’s remark about the House of Lords, whether the Conservative or the Labour Party is in office, it is generally conformist point of view which prevails. At the time of the General Strike, John Reith, as he was then, wrote to the Prime Minister in his capacity of General Manager of the BBC that “assuming the BBC is for the people and that the government is for the people, it follows that the BBC must be for the government in this crisis too.”<sup>26</sup> Things may have moved somewhat since then, but not as dramatically as is often claimed or as the notion of independence and autonomy would suggest. Writing of BBC Television in recent years, Mr. Stuart Hood has noted that judgments of what is to be produced “are based on what can be described as a programme ethos—a general view of what is fitting and seemly, of what is admissible and not admissible, which is gradually absorbed by those persons involved in programme-making.”<sup>27</sup> This “programme ethos” is much more likely to produce controversy within the consensus than outside it. And where programs are consistently, or appear to be consistently anti-Establishmentarian, official pressures come into effective operation, not necessarily from the government itself, but from such bodies as the board of governors of the BBC (and the Independent Television Authority). The latter are impeccably Establishment figures, whether Conservative, Liberal, Labour, or “non-political.”<sup>28</sup> Thus, it was “on his personal responsibility” that the Director General of the BBC took a sharply satirical program such as

*That Was the Week that Was* [TW3] off the air. But, as Mr. Hood also notes, "no one with knowledge of the strength of feeling on the part of some governors at that time can doubt that the Director-General had no real alternative if he wanted to continue in his post."<sup>29</sup> It is also worth noting that, for all its irreverence and bite, TW3 eschewed any political commitment; indeed it was largely constructed around the notion that any such commitment was absurdly *vieux jeu*. Had it been otherwise, it may be surmised that it would not have lasted as long as it did.

The general point about governmental and official pressures on the mass media is not simply that they occur, and are more or less intense; it is rather that, given the usual political and ideological coloration of governments and state elites, these pressures reinforce the tendencies towards conservatism and conformity which already exist independently of them.

Yet an explanation of the character and intended role of the mass media in terms of the pressures, private and public, so far considered is inadequate. For it suggests that those who are actually responsible for the contents of the mass media—producers, editors, journalists, writers, commentators, directors, playwrights, etc.—are the unwilling tools of conservative and commercial forces, that they are suppressed rebels, cowed radicals and left-wingers, reluctant producers and disseminators of ideas and opinions which they detest, angry dissenters straining at the capitalist leash.

This is not a realistic picture. There are of course a good many such people working in and for the mass media, who suffer various degrees of political frustration, and who seek, sometimes successfully, often not, to break through the frontiers of orthodoxy. But there is little to suggest that they constitute more than a minority of the "cultural workmen" employed by the mass media. The cultural and political hegemony of the dominant classes could not be so pronounced if this was not the case.

A realistic picture of the ideological tendencies of those who work for the mass media would divide them into three broad categories: those just referred to who belong to various shades of the left; people with a more or less strong conservative commitment; and a third group, which is probably the most numerous, whose political commitments are fairly blurred, and who wish to avoid "trouble." In effect, such people occupy one part or other of the spectrum of conformity and can accommodate themselves fairly easily to the requirement of their employers. Like their committed conservative colleagues, they mostly "say what they like"; but this is mainly because their employers mostly like what they say, or at least find little in what they say which is objectionable. These "cultural workmen" are unlikely to be greatly troubled by the limitations and constriction imposed upon the mass media by the prevailing economic and political system, because their ideological and political makeup does not normally bring them up against these limitations.



The leash they wear is sufficiently long to allow them as much freedom of movement as they themselves wish to have; and they therefore do not feel the strain; or not so as to make life impossible.

There is nothing particularly surprising about the character and role of the mass media in advanced capitalist society. Given the economic and political context in which they function, they cannot fail to be, predominantly, agencies for the dissemination of ideas and values which affirm rather than challenge existing patterns of power and privilege, and thus to be weapons in the arsenal of class domination. The notion that they can, for the most part, be anything else is either a delusion or a mystification. They can, and sometimes do, play a "dysfunctional" role; and the fact that they are allowed to do so is not lightly to be dismissed. But that, quite emphatically, is not and indeed cannot, in the given context, be their main role. They are intended to fulfill a conservative function; and do so.

This, however, is not to suggest that the control of the mass media and the "mobilization of bias" which it makes possible guarantee success to conservative parties in electoral competition, or effectively ensure ideological attainment.

In regard to the first point, it has been noted that in the British General Election of 1966, only one newspaper, the *Sunday Citizen*, with a circulation of 232,000 was "unreservedly on the outgoing government's side" (i.e., the Labour Government), while the rest of the press (38,000,000) was more or less critical.<sup>30</sup> The figures tend to give an exaggerated view of the specific commitment of most newspapers to the Conservative Party. But the fact remains that the general bias of the press, then as always, was against Labour. Yet this did not prevent the Labour Government from increasing its parliamentary majority from six to a hundred. And it has similarly often been noted that while the vast majority of American newspapers are Republican-oriented, the Democratic Party, in electoral terms, has not suffered particularly as a result. Again, the Gaullist control of television and the conservative bias of the larger part of the French press did not prevent the opposition from making substantial electoral gains in a number of elections,<sup>31</sup> just as the even more pronounced anti-communist bias of most of that press at all times has not prevented the Communist Party from retaining a remarkably stable share of popular support; and the same point applies even more strongly to the Italian Communist Party. It is simply not the case that the mass media can be counted on to deliver the votes to the conservative camp.

Nor, in larger ideological and cultural terms, is it realistic to believe that nonconformity and dissent can be finally nailed on television aerials. In the article already quoted, Professor Lazarsfeld and Professor Merton speak of the "narcotizing dysfunction" of the mass media.<sup>32</sup> The reason why they speak of "dysfunction," they explain, is based "on the assumption that it is not in the

interests of modern complex society to have large masses of the population politically apathetic and inert."<sup>33</sup> This is a very large assumption. For whatever may be "the interests of modern complex society," it is certainly in the interests of dominant classes in advanced capitalist societies that very large masses of the population *should* be politically apathetic and inert, at least in regard to issues which are, from the point of view of these classes, politically dangerous. But while the purpose of the mass media may be a "narcotizing" one, their impact, from this point of view, may leave much to be desired. Indeed, that impact may be the reverse of the one intended. Thus, the portrayal by American television of daily slaughter in Vietnam was certainly not intended to arouse feelings of revulsion for American intervention in that country. But it has probably played, all the same, a considerable part in opening the eyes of many people to the crimes that were being committed in their name, and strengthened the resistance movement to the war. Similarly, television has in recent years conveyed with dramatic effect an international pattern of police violence against demonstrators (and others) which has brought home to millions of viewers one important aspect of state power whose display "the authorities" have often found embarrassing.

This, however, is not what television is intended to achieve. Mr. Hood has also suggested that "one of the broadcasters' main difficulties when dealing with controversy springs from the tendency of viewers to seek primarily from the medium confirmation of their own strongly held attitudes"; and he suggests that "this general law holds good for all parts of the political spectrum whether the viewers are tough or soft, radical or conservative."<sup>34</sup> This is rather ingenuous. For while the "general law" may well hold good, the important point is that there is immeasurably more about television, public and commercial,<sup>35</sup> to confirm conservative-minded viewers in *their* attitudes than is the case for "radical" ones; as far as the latter are concerned, television, in any serious meaning of the word "radical," is a permanent exercise in dissuasion.

But even if this is discounted, and even if it is true that "what we know in general about the mass communication media indicates that they are much more important in confirming or reinforcing existing opinions than they are in changing opinions,"<sup>36</sup> the advantage this affords to the established order is still considerable, since its purpose must precisely be to prevent a radical shift away from "existing opinions" which are predominantly cast in a conformist mould. The mass media cannot ensure complete conservative attunement; nothing can. But they can and do contribute to the fostering of a climate of conformity, not by the total suppression of dissent, but by the presentation of views which fall outside the consensus as curious heresies, or, even more effectively, by treating them as irrelevant eccentricities, which serious and reasonable people may dismiss as of no consequence. This is very

"functional."

## Notes

1. Writing of the efflorescence of "legal Marxism" in the Russia of the 1890s Bertram Wolfe notes that "finding Marxism a saleable and distinguished commodity publishers contracted for translations of the classics and of contemporary German and French Marxist works." Bertram Wolfe, *Three Who Made a Revolution* (London: Penguin, 1966), 140. The same phenomenon, which might be described as commercial Marxism, also occurred, on a vastly larger scale, in advanced capitalist countries in the 1960s.
2. Paul F. Lazarsfeld and Robert K. Merton, "Mass Communication, Popular Taste and Organized Social Action," in Bernard Rosenberg and David Manning White, eds., *Mass Culture: The Popular Arts in America* (New York: Free Press, 1957), 457. [Note: the bracketed question mark in the quote is Miliband's own. —Eds.]
3. Which is not to say that the governments of the Fourth Republic did not exercise pressure to achieve favorable presentation of their policies by radio and television. (For this, and for examples of the very much more sustained effort of the Gaullist regime, see the debate in the National Assembly on April 24, 1968, *Le Monde*, April 25, 1968.)
4. Theodore Peterson, Jay Walbourne Jensen, and William L. Rivers, *The Mass Media and Modern Society* (New York: Holt, Rinehart and Winston, 1965), 26.
5. Leo Lowenthal, "Historical Perspective of Popular Culture," in Rosenberg and White, eds., *Mass Culture*, 50.
6. Jean Maynaud, *Rapport sur la Classe Dirigante Française* (Lausanne: Jean Maynaud, 1964), 192. [This passage appeared in French in Miliband's book —Eds.]
7. Raymond Williams, "Television in Britain," *Journal of Social Issues* 18, no. 2 (1962): 11. For a classic analysis of the reactionary values of boys magazines in Britain in an earlier period, see George Orwell, "Boys' Weeklies," in *Collected Essays* (London: Secker & Warburg, 1961), 9.
8. Stuart Hall and Paddy Whannel, *The Popular Arts* (London: Hutchinson Educational, 1964), 148.
9. G. William Domhoff, *Who Rules America* (Englewood Cliffs, NJ: Prentice Hall, 1967), 81.
10. Albert Hunt, "The Film," in Denys Thompson, ed., *Discrimination and Popular Culture* (Baltimore: Penguin Books, 1964), 101.
11. Hall and Whannel, *The Popular Arts*, 343. One of the main promoters of commercial television in Britain, Mr. Norman Collins, described this process as follows: "the viewer has found himself offered a service that is the expression of the combined experience of those men who for years have run the nation's theatres, cinemas, concert halls and newspapers. It is also a healthy and democratic (sic) thing that financial interests in the Independent Television should be spread so widely. It is gratifying that so many branches of industry and the press and entertainment can participate in Independent Television." Ibid., 344. Gratifying the venture has undoubtedly been for the participants: it is the "democratic" bit which is rather less obvious.
12. As Lord Beaverbrook told the Royal Commission on the Press, "I run the paper purely for the purpose of making propaganda, and with no other motive." Quoted in Robert Maynard Hutchins, *Freedom, Education and the Fund* (New York: Meridian Books, 1956), 62.
13. *The Times*, April 15, 1968.
14. Only 6 percent of all the daily newspaper cities in this country now have "competing dailies." W. Schramm, "Its Development," in Charles Side Steinberg, ed., *Mass Media and Communication* (New York: Hastings House, 1966), 51. These figures refer to 1953–1954.
15. Thus for France, it has been noted that "in the provinces, the inhabitants of thirty departments have at their disposal only a single newspaper." [This passage appeared in French in Miliband's book —Eds.] François Goguel and Alfred Grosser, *La Politique en France* (Paris: Librairie A. Colin, 1964), 157.
16. For the use of television and radio for anti-communist and related purposes by wealthy men in the United States, see Fred J. Cook, "The Ultras: Aims, Affiliations and the Finances of the Radical Right," *Nation*, June 30, 1962, 586–610.
17. Quoted in J. Edward Gerald, *The Social Responsibility of the Press* (Minneapolis: University of Minnesota Press, 1963), 108. Or, as Robert Hutchins put it, "Of course we have a one-party press in this country, and we shall have one as long as the press is big business, and as long as people with money continue to feel safer on the Republican side." Hutchins, *Freedom, Education and the Fund*, 81.
18. For instance *Le Monde*, which provides a daily example of what a really great newspaper looks like.
19. Maynaud, *Rapport sur la Classe Dirigante Française*, 192.
20. Goguel and Grosser, *La Politique en France*, 158 [This passage appeared in French in Miliband's book —Eds.]
21. "The primary reasons for the financial troubles of the Communist press [in Italy] does not seem to lie in an insufficient circulation, but rather in the almost complete lack of paid advertising, as a comparison with the largest and most influential independent papers clearly shows. While *Il Corriere della Sera* dedicates 45 percent of its space to advertisements and other paid announcements, and *La Stampa* 42 percent, *L'Unità* can count on merely 6 percent!" See Stefano Passigli, "Italy," in "Comparative Studies in Political Finance," *The Journal of Politics* 25, no. 4 (November 1963): 722.

22. Note, in this connection, the systematic exclusion of the Communist *Morning Star* from government advertising, which produces a situation where a Labour government, while penalizing an extreme left-wing paper, distributes vast subsidies to its most bitter critics on the right.
23. See, e.g., "The Non-Western World in Higher Education," in *The Annals of the American Academy of Political and Social Science*, vol. 356 (Philadelphia: A.L. Hummel, 1964).
24. Sometimes, as in Federal Germany, of a rather direct kind: "In the budget of the chancellor, there is a secret fund of 13 million Deutschmarks, which seems to serve partially to support government-friendly newspapers and journalists, and partially for more honorable purposes." See Ulrich Duebber and Gerard Braunthal, "West Germany," in "Comparative Studies in Political Finance," *Journal of Politics* 25, no. 4 (November 1963): 774.
25. As, for instance, in the case of the German government's attempt to crush the awkwardly critical *Der Spiegel*. See Otto Kirchheimer and Constantine Menges, "A Free Press in a Democratic State? The Spiegel Case," in Gwendolen M. Carter and Alan F. Westin, eds., *Politics in Europe* (New York: Harcourt, Brace & World, 1965).
26. John W.C. Reith, *Into the Wind* (London: Hodder & Stoughton, 1949), 108.
27. Stuart Hood, *A Survey of Television* (London: Heinemann, 1967), 60.
28. "At the top of the BBC hierarchy is the Board of Governors, appointed by the government, consisting of nine men and women of ability, standing, and distinction. Generally speaking they represent the upper class of British society, which is to say, the 'Establishment,' the British equivalent of America's 'Power Elite.' There is no special attempt to appoint governors with trade union or working-class backgrounds, and very seldom do members have experience in broadcasting, journalism or related fields." B. Paul, *British Broadcasting in Transition* (Minneapolis: University of Minnesota Press, 1961), 17-18. For the class composition of BBC Governors and of the "Cultural Directorate" generally in the 1950s, see W.L. Guttsman, *The British Political Elite* (London: MacGibbon & Kee, 1963), 342ff.
29. Hood, *A Survey of Television*, 49.
30. *New Statesman*, March 25, 1966, 420.
31. See, e.g., R. Rémond and C. Neuschwander, "Télévision et Comportement Politique," in *Revue Française de Science Politique*, vol. 13, 1963.
32. Lazarsfeld and Merton, "Mass Communication, Popular Taste and Organized Social Action," 464.
33. *Ibid.*
34. Hood, *A Survey of Television*, 63.
35. The advent of commercial television, so runs the legend, was to bring into British television a brash, classless, nose-thumbing spirit. Now under the aegis of the ITA, it is more closely shackled to the Establishment than the BBC, being more conformist, more conservative, less adventurous. *Ibid.*, 62.
36. Leon Epstein, *Political Parties in Western Democracies* (London: Paul Mall, 1967), 237.

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# The Existing Alternatives in Communications

Raymond Williams

## I. Communications Systems

It matters greatly where you start, in thinking about communications. You may start, for instance, in a mood of excitement and even congratulation that at the present stage of civilization there is a communications system incomparably more vast and efficient than could ever have been imagined: that the voice of radio, the face of television, goes into millions of homes, and that we have the most widely distributed press in the world. You can feel this excitement even if you recognize certain little local difficulties such as a cigarette advertisement appearing just before *Robin Hood*, or a particularly shocking series in one of the Sunday papers, or even the overnight death of the *News Chronicle*.

On the other hand, you may be starting from the feeling that never in the history of the world has there been so much production of bad culture. Never, it is true, has there been so much production of any kind, but the percentage of this production which is bad is now appalling. After you have surveyed this magnificent communications machine, after you have heard the voice that goes into all the homes, you may ask, after all, what the voice is saying. And you can take this attitude very far. You can even be thrown back on one of those perennial springs of English reform, that shout which has sounded so often through the villas of England, to call right-thinking men to action, "the people are at it again." What the people are at now, according to this point of view, is a sort of dangerous self-indulgence which is spoken about morally in much the same tones as drink, dancing, stage plays, and so on, were spoken about in the past. Many people, good people, have this image of a depraved, or largely depraved, population, whom they call the masses. The people are not profiting by the gleaming machine of communication, but are being reduced to what is usually called a near-moronic mass.

My own starting point is distinct from either of these attitudes. In my view you cannot understand the communications system unless you look at it historically, and this as yet we have not really enough evidence for. Very few

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Originally published as a Fabian Society pamphlet in June 1962 as part of the "Socialism in the Sixties" series. Reprinted with permission from the Fabian Society, © 2008.

people have been working on it. It is still not studied in any British university. This is probably the only country with a major communications system which has no organized research in relation to it, and because of this, such history of the communications system as exists is mostly bad history, bad history which hides from us the factors which could lead to an understanding of the contemporary situation.

The extension of communications, as I see it, was inseparable from the extension of democracy and the whole process that we call the Industrial Revolution. You cannot, historically, separate any of those movements out from the other two. And I would like to reaffirm my own position that each of these movements is something one must really support, without any reservations of spirit. This might seem a commonplace, but I know that I had to work through ten or fifteen years of familiar English thinking before I could really say that this enormous process, which has transformed and is transforming our society and our world, is a thing one wants. Yet to see it in only that way is, of course, to see it too simply. There have been contradictions within various stages of this process, and at the moment we are faced with a particularly severe one.

#### A Market System

Broadly speaking, our communications system grew up as part of a market society. At a certain point it passed from this simple liberalism, which most people still attribute to it, to a quite different system which has been establishing itself over the last sixty years and yet which, somehow, we are all still reluctant to recognize. In the early stages of a market society a liberal theory of communication is sensible and admirable, because the theories it is challenging, the theories it is replacing, are so bad. A simple market liberalism is then replacing a system of the monopoly of communication by some ruling group, either a ruling group which is determined to maintain its own power by controlling communications, or a ruling group which has paternal intentions towards its people and believes that its own standards are the absolute standards of civilization. This paternalist group proposes to lead the people gently towards those standards, but meanwhile will allow nothing to appear that might harm them or divert them, or that will fail to inculcate the values of the minority. Each of these systems has existed in Britain. Each still exists; today, in other parts of the world. And the remnants of both are still with us, in Britain. The market system, the commercial system, was so powerful and useful a challenge to the authorities and the paternalists that I must pay it its due before going on to criticize it. What it said was that communication must not be subject to that kind of control, that kind of monopoly. The sort of thing that communication is, rules out from the beginning the position of a minority deciding what can be communicated and how. The commercial system said

quite simply that people should be able to write what they like and read what they like, and that the market should be the test; anything can be offered for sale, anything can be freely bought. And in a way, emotionally, people are still living like this. If you ask anybody what they think about communications, that is usually what they manage to say.

Yet the system they are describing has in fact long since ceased to exist. Throughout the nineteenth century it was the main and dominant trend. The newspapers became independent enterprises, and if you wanted to start a newspaper or a magazine, you could do so with comparatively little difficulty. The characteristic ownership of a newspaper or a magazine was by one man, one family, one small group which wanted to do a piece of work, and the distribution system, though imperfect, on the whole ensured that what was actually published could compete on relatively equal terms.

### The Profit Motive

This situation lasted, with all its imperfections, until the 1890s, when it began to be replaced by a system which is still only approaching its full strength. New methods of financing newspapers, new kinds of ownership, and from these, a development of wholly new attitudes towards the public and a whole new kind of communications system came into being. The old principle "anything can be said, anything offered for sale" ran into major difficulties, difficulties which, practically and theoretically, we have not yet been able to get beyond. What emerged in practice in this new system was a new principle: "anything can be said, providing it can be said profitably." For sixty years now, this, on the whole, has been the situation.

In contemporary Britain almost all the large circulation magazines are owned by one man. Four out of five of the daily newspapers read by the British people are controlled by two men. The groups controlled by these men not only have these large stakes of ownership in daily papers and in magazines, but extend out into the Sunday press, into the so-called local press (it is a great rarity now to find a local paper locally owned) and into the new and powerful system of commercial television, where considerable holdings are in their hands.

This situation is occasionally highlighted by some spectacular event, some take-over battle, which gets into the papers. The sudden disappearance of some respected newspaper or magazine brings, for a month or two, a flurry of discussion and agitation, and then the thing is quietly forgotten. What most of us seem to be doing is hoping that the situation will somehow go away: that it is a sort of accident, an unpleasant business but it won't happen again. As the number of national papers decreases yet farther, as the number of London evenings papers drops to two, as papers still existing shake on the edge of disappearance, as new television contracts go again to the same financial

groups, people still hope that the situation will go away. All I would say, with all the emphasis I can command, is that this is not in any way a temporary situation. It is a situation which anybody looking at the history could have seen coming over the last fifty years. My own view is that, so far from its having reached its climax, it is still in a very incomplete and active stage. We can be quite certain that, unless positive action is taken, over the next ten years, the control of the means of communication will pass into still fewer hands, and that the range of choice, the actual variety of newspapers and magazines and books (to which this process is also now beginning to extend) will steadily diminish.

If you look back in many other fields of life you usually find, by comparison with contemporary Britain, an evidently inferior democracy. But if you look back in the field of communications, you find a situation in which there were many more organs of opinion, in which many more of them were independently owned, and the real history of our own century has been a contraction of ownership, and a diminution of alternatives and real choices. This is a process which, as I see it, is bound to continue, because the economic pressures behind it are enormous.

## II. The Effect on Society

Now if this is the situation, what are the existing alternatives? What are the things which are open as social policies? One of them is the hope that the problem will somehow solve itself. This is something that I hear more often, than I like. Some of my friends in the Labour Party are pleased that in the last few years questions like this have been brought up for discussion on the left. We haven't, they say, been discussing them enough. But when they come down to what they call political realities, they go on to say that this is not an issue on which you can do anything quickly. It's the sort of issue you can postpone. Indeed, as one of my friends said, "when we have got a Labour government, in about its fourth year we could look at some of these issues, or perhaps the fourth would be a bit late; say, the third."

What impresses me about this is its incredible lack of contact with the very political reality it apparently appeals to. For it suggests that you can discuss the probability or otherwise of a Labour government as if it were a separate issue from the system of communication that you can say, "let this roll until we get our sort of government with our sort of priorities." This seems to me to be a complete misreading of the evidence of recent years. Many politicians have got over one common error and have then fallen into a bigger one. They have got over the common error of supposing that the *Daily Mirror* or the *Daily Express* has only to say "go out and vote Labour" or "go out and vote Tory", and everybody will immediately go. This is what people used to say about the power of the press and once the thing was analyzed it was found, of course,



that it didn't happen, that people don't go out and vote as their newspaper tells them. But the influence which is overlooked by that conclusion is something much more persuasive than the decision on which side to vote, although I don't doubt that in the end it has its own indirect effects on voting or on not voting.

### Advertising

The communication system, as it has developed, is creating a way of life, a way of feeling and a way of thinking, which, once analyzed, is wholly appropriate to the kind of society we have. Everything we see in it, its economic structure, its characteristic content, its controllers' own version of what they are doing, corresponds exactly to the sort of society which we have been experiencing over the last ten years. The economic structure is not an accident, it is precisely related to what is being said.

Perhaps the most useful way of drawing attention to this is simply to remind you of the position of advertising in the communication system now. Most people know, I think, that most of the press would go out of business tomorrow if there were even a substantial fall in advertising revenue, let alone its disappearance. Our majority television service would also go out of existence if the advertising revenue were not there, and most of our magazines likewise.

This dependence on advertising is sometimes discussed as if it were a thing in itself, a sort of economic technicality, but I think that once you look at the whole situation you can't stop at that point. It is quite true that there is this dependence. It works in a very interesting way. Take the death of the *News Chronicle* as an example. This was discussed so often at the time, yet it seems to me the real conclusions were not drawn. The *News Chronicle* had well over a million purchasers, which on average would mean between three and four million readers. It is a truly fantastic situation that a newspaper which is wanted by three or four million readers can be economically not viable.

Nor was it some accidental factor about the *News Chronicle*; in fact over the last three years, four national papers have disappeared, the other three being Sundays. In each of these cases there was no sale below a million, no readership below three million. Yet in other countries, in France for example, you will see one of the papers boasting of the largest circulation in France, 750,000 and you wonder, why are the economic imperatives here not the economic imperatives there? Is it more expensive here? What is the key? And then you remember that the circulation of *The Times* is 250,000, the circulation of *The Guardian* is about 250,000, so how do they survive?

### The Economic Imperative

The answer some of you will know, but it is worth repeating. It matters if

you are running a newspaper, either that you have a leading circulation in the mass field, as it is called, that is to say, a readership in the ten to fifteen million bracket, or that you have (and I quote, because I would hesitate to use such terms myself) "an adequate percentage of readers in socioeconomic group A/B." This novel democratic criterion needs just one word of explanation. Socioeconomic groups A/B are arrived at by a combination of income and way of life. Income is not precise enough because as is pointed out in compiling these groups, you can be a miner earning high wages and yet have different tastes from a teacher perhaps earning less, and this still often decides which side of the line in these groups you go. But if a paper has enough readers of socioeconomic group A/B, then it can survive on a smaller circulation.

Why? Because these are such nice people? Because they have money? Because also, and this is another of the criteria which is looked at, if a sufficient number of them are below thirty-five, they are, as used to be said in another context, in an interesting condition. They have the major purchases of their life in front of them and this is a very interesting condition to be found in. If you have a paper like *The Guardian*, with a big readership below thirty-five and with enough socioeconomic groups A/B, then you can forget that ten or fifteen million. If, however, you happen to be stranded in the middle, like the poor old *News Chronicle*, with an ageing readership and not enough A/B, and yet not a really big circulation either, or like the *Daily Herald* now, or like other papers in that middle group, then you can't win in either field. The decisions on whether these papers will be continued are taken cold-bloodedly, by such calculations.

It is very difficult indeed to say to the present owners and controller of the papers that they should decide on any other criteria, because unless you are well-placed in either of these ways you are going to lose a great deal of money, and this is what in this society you can't do. So the tie with advertising is important and does relate to something in the whole of society. Moreover, this kind of division replaces even that simple democratic criterion which some defenders of the present press introduce. This is the bluff commonsense argument that if people don't want the paper they won't buy it; if enough of them don't buy it, it will disappear; if they want it so much, why don't more of them buy it?

This is in fact demagogic nonsense. It is not talking about the real situation at all. You can be well below mass circulation in the readers you get, you can be with the *New Statesman* on 80,000 or with *The Spectator* on 40,000 and yet you can still be for the advertisers in an interesting condition. You have in fact a criterion which is totally different from either any theoretical account of democracy, or the demagoguery which has so often replaced it. The real situation is that there is now no equal competition.

There is only a graded competition, within specialized areas of the market, and the market has replaced political democracy as the center to which decisions about a free press are referred.

### Similar Methods

What I would like to go on to show is the increasing resemblance which I think any historian of the press must notice, between the methods of newspapers and the methods of advertising. Take the use of pictures, which are no longer consistently what they once were: news pictures, illustrating the news or having some direct relation to it. Very often now, in the newspapers, they are pictures which are part of a total and planned emotional effect, and the newspaper headline is often quite indistinguishable from the advertising slogan, or the slogan from the headline. The point about all this is not that as a result of it people go out and vote in a particular way. How could it be? The real result is that voting has been reduced to its proper unimportance in a market society. News and opinion, like everything else, are items in a long-range selling campaign: Voting is one of the choices that will eventually be made, but only one. The way we now more often think about choices is in relation to buying: choosing this service rather than that. This is the sort of choice—the sort of participation in society—which is constantly underwritten. And in this way certain values come through, independent of ordinary politics, quite separate from the Labour–Conservative division, distinct from the formal arguments that go on in the public forums.

These are the values summed up in success and “getting ahead” but even success is reduced to a matter of income and conspicuous consumption. It is not only in direct advertising that this vicious circle is drawn; it is drawn over a very wide field indeed. It is already increasingly applied as the test of a successful artist or successful writer, and you can mark the change by this, that specific opinions matter much less, what the writer or anyone thinks matters much less. The question is: “does he sell?”, “is he in demand?” One looks back with a certain nostalgia on the Beaverbrook kind of communications tycoon, who quite frankly bought up all the papers he could afford in order to propagate his own political views. Looking back it seems to be a relatively healthy thing for a man to buy up papers to propagate his own political views. The normal thing now is not that. That is now a very old-fashioned policy in the communications business. You could say “Victorian,” I suppose, and have done with it. Because now, this business of views and opinions has been reduced to its strictly relative and secondary importance. Mr. Thomson, for instance, says he is not interested in the views of his papers, he is interested in how many copies they sell. Some people have greeted this as a refreshingly liberal statement. But in fact it is an alarming statement. For it marks the reduction of every kind of social interest and decision to a selling decision and

a buying decision. Increasingly the questions we are supposed to ask about our common life are questions only in terms of buying and selling. And though many of us have some skepticism about this, still it eats very deep into the consciousness. Even if we are completely aware of it, to the point of wanting to resist it, to keep it out, it can lock up so much energy which could otherwise be used, that the effect is still substantial.

### The Purpose of Communications

The economic structure of the press is, then, not random nor accidental, but is related to what has increasingly become the purpose of communication itself. When we discuss communications theoretically or academically, or when young writers and young painters talk about it, we still talk in traditional terms. We are talking about something we need to say, about how we are to say it and whether it will get through to people. This is one of the traditional problems of the world, yet the assumption that it is central to communication, as in human terms it undoubtedly is, is an assumption you can no longer practically make. The question that matters, in the system we now have, is "will it sell?", "does it go?" And success is defined in the same way. Selling validates what is sold. This is probably the first generation in Britain which is able, without even momentary hesitation, to talk of selling itself, of being in demand, of putting forward a good shop *window*, of being in a lively way *in* the market, of having a buoyant stock. We have gone so far that we can use these phrases not about commercial operations at all, but about all sorts of traditional activities, such as painting, thinking and writing. The phrases now come so naturally that we forget what we are really saying about communication itself.

The questions I ask then are not at all: "are the people at it again?," "are they depraved?," "must we save them from it?" These are pointless and stupid questions. The British people have had to put up with a lot of being saved over the centuries, and the central fact about present British society is that for the first time in history the working people are in a position where they can afford not to be saved. This is a profoundly important and encouraging fact. There is no way out of our communication problems through some new kind of salvation army, although some people seem to have ambitions that way. Nor is there any way out by capitulating to the dazzle and the glitter of our wonderfully extended and dynamic communications system. It is the end of democracy, not its beginning, where you say: "How marvelous it is that people can read the papers; that the news of the world comes straight to them; that through television they can see their leaders face to face and look at the places where decisions are made." This is not democracy, but its market substitute, and it is time and overtime that it was challenged.

### III. Communications in a Democracy

What would be the conditions of a communications system in a genuine democracy? First, it is fundamental that no group within the society would have the right to control what can or cannot be said, and that there should be no control by fear, by censorship, or by physical liquidation. We are aware of these dangers because they happened in our country a long time ago, and are still happening in other countries today. But they are still present and still dangerous when the control is financial rather than political and administrative, when the bank and the chain shop have taken over from the Star Chamber and the censor. The situation in which a group of people could go out and start a newspaper, get some readers and put forward a particular opinion, has virtually ceased to exist. The capital involved in the development of these services has increased so much that access to it is only possible to very small groups within the society, who by that very factor are unrepresentative, and it is not only in production that this is so. It is equally true of distribution, and not only with newspapers. Try starting a magazine and getting a national distribution for it. Just try getting it put on bookstalls throughout the country, so that people could buy it if they felt like it—that old commercial or democratic idea. I assure you that it will be a very chastening experience indeed. Because the ordinary kind of distributor we now have is not interested in selling below a certain quantity, and until that quantity's there, you usually can't even try.

This is like the situation in the cinema, where this test applies even before the point of production. As most people know, before a film can be made now, it has usually got to have a distribution contract (given on the basis of what it is likely to be). This contract is usually the guarantee for financing the film itself. Such a test is often quite unrelated to what the filmmaker himself may want to do. The market, the quantity test, has come in even before the point of production. There can be very little doubt that it is harder, much harder, to express minority opinion now than it was in the nineteenth century. It is harder, not because anybody will stop you—"we like you to have opinions"—but because they just won't give the money, and there is no other way of breaking into their tight market, where they look after the whole of society's communications.

#### Two Courses of Action

Now you can drift on with this situation, or you can face two possible courses of action. You can say there are certain fairly *obvious*, fairly limited reforms which we could try to get agreement on, which would go some way towards improving this situation. For example, we could make sure that as many future services as possible are kept out of this particular system, and are given some other kind of definition. A critical decision is going to be taken

soon about broadcasting. I think it may be a decisive one for this generation as far as the whole climate of communication goes. The very strong pressure, not only for another commercial television service but for commercial local broadcasting, is all too easily discounted. If you remember the argument before commercial television came in in the 1950s, the public debate that preceded it can be fairly summed up as almost all the weight of public opinion, of expert comment, against it, but a few people still going on in what seemed one of those cranky causes, a little minority group working away towards its own ideal of a free and commercial vision service. Then, suddenly, the decision was made, and we were reminded of how things really happen in this sort of society, how different it all is from what looks like the process of public decision.

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It is the same situation now. You see occasional reports of this little group that wants commercial broadcasting. Meanwhile you can read in most of the papers and most of the magazines, the reassuring sentiment that public service is a principle we can't abandon. Quite frankly, it is extremely dangerous, in this society, for anybody to think that intellectual debate makes much difference to real decisions. Whoever seems to win the intellectual argument is not necessarily going to affect the ultimate decision at all. I think we had better, as a matter of urgency, attend to the real centers where this decision will be made. Then there is the whole question of the disappearance of national newspapers, and the fact that local papers are likely to go on diminishing, particularly if local broadcasting goes commercial.

In this situation it is extremely difficult to produce precise proposals because once you start on this analysis you see how far the thing goes. But I would like to see as an immediate measure a campaign to get the majority recommendations of the Royal Commission on the Press, the Commission which sat back in the 1940s, implemented. We have forgotten, of course, that it was the majority recommendation that the Press Council should have an independent chairman and should have lay members. This would be important simply in the way of day-to-day business, but it would be much more important as a public forum in which the whole question of the closing of newspapers could be discussed and to which it could be referred. The constitution of such a council which could, if changed in that way, claim to represent something of the public interest, would at least prevent the sort of situation we now get, in which four or five million readers and a whole group of working journalists can suddenly find that what they wanted can't be had, and that the decision is taken behind closed doors, is only announced when it is too late, and that there is very little that one can do about it.

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A strengthened Press council would be of some advantage. But it is also high time that we had an Advertising council of the same kind, because the running debate on advertising between its critics and its defenders is at the

moment much too scattered and much too scrappy. I think one needs an advertising council to which could be referred the sort of questions which have been referred to the Press Council, about the press. The council could authoritatively examine the tendencies in advertising which sometimes, without the conscious will of those behind them, have produced the present chaotic system. Further, I would repeat a proposal I made a couple of years ago, for a Books Council. To someone who lives by books this is very urgent. The processes now occurring in the publishing industry are depressingly reminiscent of the processes which occurred in the newspaper business in the 1890s. It is a very similar economic situation, and the same sort of economic answers are being made: reduction in the number of independent producers: organization of the majority of the remainder into combines, which won't necessarily be recognized as combines by the public, because they will often go under their own names. It is already true in publishing that a good many apparently independent imprints on the spines of books all run back in the end to one center. Twenty years ago someone, before his time evidently, said that publishing was not a business at all, it was a sort of chaos. People got interested in some book that had just come out, and then another came along, and there could be no sustained interest. "This is no way to sell anything," he said. "What you must do is reduce the number of items so that people can concentrate, and then you can back it up with some effective promotion."

#### 20 Selling Books

This, with the extension of paperbacks, is now economically attractive also, because you can sell paperbacks in a lot of places where you could not sell hardcover books, and you have got to sell them quickly. To hold stock is very uneconomic with the margins in paperback production, so the book has got to sell quickly. If there is pressure for it to sell quickly, then this advice makes sense. It is anti-British and derogatory to literature, but on the whole, as you know, these things make sense. So you reduce the number of items, and make sure in advance that these are the things for which markets exist. Now the facts of all this must be brought into the open. The genuine commercial and financial difficulties must be looked at and the whole question submitted to public debate. The whole point about all these processes that I have been describing is that in no obvious sense are they decided by society, they are only decided by that process of remote control which operates in a market society like this, that eventually the profitable will survive, especially if it is quickly profitable. I think that in open public debate we could get a quite substantial amount of agreement about the measures which are now important, and also for similar local reforms such as, for example, the separation of the newsprint industry from the newspaper proprietors. I have never seen a clearer candidate for public ownership than this, because here is

a crucial commodity in this whole business; and we need to ask very detailed questions about its control and its price. These immediate measures, I think, would go some of the way.

### The Socialist Alternative

But I think that in the end we are going to be faced with probably the most critical social decision in our recent history, not just on an incidental issue, but on a central issue. The decision we make here will not be simply a decision about newspapers and advertising and television and so on; it will be a decision about the kind of society we want. It happens that the study of communications now illuminates in a number of ways social problems which seem to be of a quite new kind, social problems which traditional economics did not raise and did not touch. People have often asked me: "What's wrong with this system?"; "Is there any alternative?"; "Is there a socialist alternative?" And at that point of the socialist alternative, three-quarters of the people involved in the discussion go away, physically or mentally. I am not sure that I blame them. A socialist alternative in this field, as we have traditionally understood it, is almost as bad as the present disease. The idea that the state should intervene, that there should be public ownership, in its traditional forms, of the means of communication is so obviously wrong, so much against the whole idea of what communication is, that it is not worth discussion. It might keep the whole press which happened to be right-wing off the street. What would happen to the rest of the press, I am not sure.

I do not think this idea of control and even censorship is a slander on us as socialists. The plain fact is that we have not produced anything else. When people think of a socialist answer they think of bureaucracy and censorship, and so far, on the evidence, they are right. Yet I am convinced that the only way in which the communications service can be made adequate to the kind of democracy I want to live in, what I would define as an educative and a participating democracy, is through the idea of a public system. I have no doubts about this, I have gone over it again and again, until I can see no other way through. It is a plain matter of money, and the amounts of capital involved are so large that you have a straight choice. The existing alternatives are these, and as I see them, there are no others. You can have control by a minority of very rich men whose interest is a communications service which is profitable, which will sell—control of the kind we now know. Or, on the other hand some form of public ownership. Now I have watched, and whenever I say this people go away. But I do not think we have got to rest with the socialist solution—the definition of a public system—that first occurred. I think the principle that is important is a quite simple one, but a principle so difficult to conceive in this society, in a way, that one almost hesitates to put it forward. It is this: that where the means of communication are too expensive to be owned



by those who are using them, that is to say, all the big communication services, television, broadcasting, and all the big papers, they should as means be held in trust by the society for use by the people directly concerned in their production. This is a system which I have tried to describe in detail, as yet inadequate detail, elsewhere. At the moment, I can only describe what seems to me to be the principle. We have to work out a system in which there is a reliance on public money, but where this reliance does not bring with it any centralized control of the real contributors and producers. I think that it is possible to conceive such a system although all the blocks in our mind are against it. The means must be held in trust, and leased to the people using them, who would constitute independent professional companies and themselves provide the services. The amount of detailed planning that has to be done on this idea is enormous. All I can urge is the principle. I want objections to it, I want criticism of it, but you can be quite sure that in discussion here or anywhere else I shall be firm and even rude about one thing: that this is the choice, these are the existing alternatives, and there is no point in trying to evade these facts. It is either the system we have now, or it is a system of this new public kind.

### Conclusion

If we can screw ourselves up to facing the fact of choice, if we can finally realize that the situation will not go away, then I think we may be able, quite quickly, to make real and detailed progress. I should like to see the Labour Party, as a matter of urgency, setting up its own working party on this, bringing together the writers, the critics, and the historians who have been working on the general problem, and the politicians, the economists, and the sociologists. We could make contact with the many professional organizations of people working in communications, and try to get them in on the detailed planning from the start. The conditions are right for this. There is a very widespread concern and insecurity and yet also a fund of creative ideas and possibilities. It is the business of a political party to bring all this together, to give it focus and to go over every aspect of it in quite practical terms, so that there might be some real prospect of a program of change. I believe that this issue is now at the center of change of any kind, and that a radical or socialist party which neglects it is simply not living in our actual world. That, at any rate, is what I came here to say, to you and other socialists and members of the Labour Party. If I can give you a sense of the urgency of these issues, of the very hard choices which simply have to be made, then perhaps, together, we can get something done.

# Introduction to the Second Edition of *The Theory of Monopoly Capitalism*

John Bellamy Foster

The present-day world can only be described to present-day people if it is described as capable of transformation. —Bertolt Brecht<sup>1</sup>

*The Theory of Monopoly Capitalism: An Elaboration of Marxian Political Economy* was initially written thirty years ago this coming year as my doctoral dissertation at York University in Toronto. It was expanded into a larger book form with three additional chapters (on the state, imperialism, and socialist construction) and published by Monthly Review Press two years later.<sup>2</sup> The analysis of both the dissertation and the book focused primarily on the work of Paul Baran and Paul Sweezy, and particularly on the debate that had grown up around their book, *Monopoly Capital: An Essay on the American Economic and Social Order* (1966).<sup>3</sup> In this respect *The Theory of Monopoly Capitalism* was specifically designed, as its subtitle indicated, as an “elaboration” of their underlying theoretical perspective and its wider implications.

My original motives for the analysis were twofold: (1) to provide a more thoroughgoing explanation of the economic surplus concept and the theory of accumulation to which it was related, and (2) to correct certain misconceptions of Baran and Sweezy’s analysis that had arisen as a result of the “back to Marx” intellectual movement of the 1970s—and that had led to various traditionalist or “fundamentalist” Marxian criticisms of their work.

*The Theory of Monopoly Capitalism* was an organic product of my own formative intellectual development. For me the late 1960s and early ‘70s were dominated by opposition to U.S. imperialism, particularly the Vietnam War, and the U.S.-backed coup in Chile, and by the economic storms of this period that culminated in the crisis of 1974–1975. I first read *Monopoly Capital* in 1974 when I was studying economics at the Evergreen State College in Olympia, Washington, and like other radical students that I was associated with at the time (most notably Robert McChesney) the immediate effect of encountering Baran and Sweezy’s analysis was profound, and, as it turned out, long-lasting. No other work was so influential among left political economists in the United States at that time. I found the historical depth and breadth of *Monopoly Capital* astounding.

We read *Monopoly Capital* back to back with our neoclassical economics texts, but also alongside other works in Marxian political economy such as Ernest Mandel's *Marxist Economic Theory*; E. K. Hunt and Howard J. Sherman's *Economics: Mainstream and Radical Views*; Sherman's *Radical Political Economy*; Andre Gunder Frank's *Capitalism and Underdevelopment in Latin America*; Harry Magdoff's *The Age of Imperialism*; Sweezy's *The Theory of Capitalist Development*; James O'Connor's *The Fiscal Crisis of the State*; and Harry Braverman's *Labor and Monopoly Capital*.<sup>4</sup> But it was *Monopoly Capital* that constituted both for myself and for those with whom I was most closely associated the essence of the Marxian political-economic view in the early to mid-1970s.

One small book that we read in our classwork at the time, Assar Lindbeck's influential *The Political Economy of the New Left*, engaged in a polemic against the radical economics that had arisen in the United States associated with the founding in 1968 of the Union of Radical Political Economics (URPE) and centering its criticism on *Monopoly Capital*.<sup>5</sup> My fellow students and I traveled to an URPE conference in 1975 to hear some of the new developments in radical political economy first hand.

<sup>15</sup> Later, as a graduate student specializing in political-economic studies at York University in Toronto in the late 1970s and early '80s, I was to study Marx's *Capital* much more intensively than I had previously and was attracted for a short time to the more fundamentalist analyses of thinkers like Ben Fine, Laurence Harris, David Yaffe, and Paul Mattick.<sup>6</sup> All of these writers had criticized Baran and Sweezy's *Monopoly Capital* for its rejection of the significance under monopoly capitalism of Marx's law of the tendency of the rate of profit to fall. The falling rate of profit theory had not occupied a central place in Marxian political economy prior to that time, but in the 1970s it was increasingly adopted by Marxists as the final word in economic crisis theory at all stages of capitalist development.<sup>7</sup> After an attempt to apply this theory to present-day economic reality in a paper I wrote at the time I decided that there were a host of theoretical, empirical, and historical problems that made the analysis largely inapplicable to the problems of late twentieth-century monopoly capitalism. Although Marx's critique of political economy remains the necessary starting point of all thoroughgoing analyses of capitalism, a realistic treatment of the twentieth-century economy required the additional assessment of conditions specific to monopoly capitalism, without which there could be no analysis of "the present as history."<sup>8</sup>

<sup>9</sup> It was then that the historian Gabriel Kolko, with whom I was studying U.S. political-economic history, introduced me to the debates that were taking place on excess capacity statistics in the United States—relating this to Josef Steindl's *Maturity and Stagnation in American Capitalism*, a new edition of which had just been published by Monthly Review Press.<sup>9</sup> I discovered in

Steindl's work, and that of Michał Kalecki dating back to the 1930s, the real basis of much of Baran and Sweezy's argument in *Monopoly Capital*—and with that a powerful *tradition* of Marxian political economy, rooted in Marx but connected to current monopoly-capitalist conditions, and to what could be referred to as an “overaccumulation” theory of crisis.<sup>10</sup> I wrote a hundred-page manuscript for my course with Kolko entitled, “The United States and Monopoly Capital: The Issue of Excess Capacity,” which I sent to Sweezy. He responded enthusiastically and I soon became a regular contributor to *Monthly Review*, then edited by Magdoff and Sweezy—beginning with “Is Monopoly Capitalism an Illusion?” in 1981. I was eventually to join Sweezy, Magdoff, and McChesney as an editor of *Monthly Review* in 2000—a position that I continue to occupy today.<sup>11</sup>

Baran and Sweezy had made their most original contributions in *Monopoly Capital* in their introduction of the concept of economic surplus. The concept was rooted in the labor theory of value and in Marx's concept of surplus value. But it was also intended to extend the analysis, making it easier to address the questions of waste in monopoly capitalism.<sup>12</sup> It was this topic, inspired in part by the work of the Polish political economist Henryk Szlajfer with whom I edited *The Faltering Economy: The Problem of Accumulation Under Monopoly Capitalism* in 1984, that was to become the central focus of my work in the early 1980s, leading to *The Theory of Monopoly Capitalism*.<sup>13</sup>

Other developments in Marxian political economy were occurring at the same time. One of these was the growing fundamentalist criticism of the concept of monopoly capitalism—which had long been a central category in Marxian theory, dating back to the work of thinkers such as Rudolf Hilferding, Rosa Luxemburg, and V.I. Lenin, and prefigured by Marx's own analysis of the concentration and centralization of capital. Increasingly traditionalist Marxists in the early 1980s argued that the notion of monopoly capitalism had no basis in Marx, and that there had been no lessening of competition—even with respect to price competition, which was presented as an inviolable condition of capitalism. The trends toward concentration and centralization of production and monopoly profits, it was said, had been exaggerated.<sup>14</sup> Related to this was a misguided critique of Baran and Sweezy as crude “underconsumptionists.” This criticism was based both on the systematic neglect of the historical development of this term (the predominant usage of which had changed over time—no longer including what Schumpeter had called the “non-spending” type of theory), and of the evolution of Baran and Sweezy's later analysis, which led, as Sweezy indicated as early as the 1950s, to a theory of “overaccumulation.”<sup>15</sup> Another frequent criticism was that Baran and Sweezy had abandoned the labor theory of value in developing the concept of economic surplus.<sup>16</sup> Still further disagreements had to do with criticisms that some left thinkers had launched at Marxian

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dependency theory—directed even against its most sophisticated versions as represented by Baran and Samir Amin—questioning the notion that the countries at the center of the system exploited and hindered the development of those in the periphery.<sup>17</sup> Finally, there were debates about the fiscal crisis of the state and the role of the state and class in “actually existing socialism.” All of these issues were taken up in the book.

Three decades later much has changed, in ways that make the reissuing of *The Theory of Monopoly Capitalism* in a new edition seem useful and timely. The scholarly research into Baran and Sweezy’s *Monopoly Capital* has expanded enormously in the intervening years, most notably with the publication of the two missing chapters of *Monopoly Capital*—one on the theoretical implications of their analysis for economics, the other on culture and communications—and through research into their joint correspondence. The Great Financial Crisis and the resurfacing of economic stagnation have engendered new interest in this tradition of thought. Under this historical impetus the theory itself has advanced to address new developments, particularly with respect to the understanding of stagnation, financialization, and the globalization of monopoly capital. No less important is the expansion of the political-economic critique associated with *Monopoly Capital* to other realms, such as communications, the environment, and to a reemerging class struggle. All of this can be seen as reflecting a general historical analysis of global monopoly-finance capital, understood as a new phase of the monopoly stage of capitalism.

### The Missing Chapters

When *Monopoly Capital* was published in 1966, Paul Sweezy indicated that two of the chapters drafted for the book had been left out of the final manuscript, due to Baran’s death in March 1964 and questions regarding the drafts which had not yet been resolved.<sup>18</sup> In August 2011, these missing chapters were located, nearly a half-century after they were written. “Some Theoretical Implications” was published in the July–August 2012 issue of *Monthly Review*.<sup>19</sup> “The Quality of Monopoly Capitalist Society: Culture and Communications” appears in this issue.<sup>20</sup>

“Some Theoretical Implications” demonstrated how Baran and Sweezy connected their central concept of the economic surplus (which they defined as “the difference between total social output and the socially necessary costs of producing it”) to Marx’s labor theory of value.<sup>21</sup> More specifically, it provided an explanation of the relation of wages to the value of labor power under monopoly capital. It thus helped solve the main theoretical conundrum raised by the chapter on “The Absorption of Surplus: The Sales Effort” in *Monopoly Capital*: If unproductive labor/waste penetrated into the production process itself under monopoly capitalism, what was the effect of this on the

Marxian theory of surplus value (and on the economic surplus, the additional category introduced by Baran and Sweezy).<sup>22</sup>

Baran and Sweezy's chief theoretical innovation in "Some Theoretical Implications" was to utilize Marx's concept of "profits by deduction" in order to answer this question. Marx had used this category on various occasions throughout his writings. In the third volume of *Capital*, he explained that monopoly price could be accounted for in part by the power of capital to "press wages below the value of labour-power, but only if they previously stood about the physical minimum. In this case, the monopoly price is paid by deduction from real wages (i.e. from the amount of use-values that the worker receives for the same amount of labour) and from the profit of other capitalists."<sup>23</sup>

According to Baran and Sweezy in "Some Theoretical Implications," Marx's use of profits by deduction here offered a basis for understanding the problem of the relation of wages to the value of labor power under monopoly capital. Workers, partly through the action of trade unions in the monopolistic sector of the economy, were able to raise wages above the value of labor power—or the level necessary under given historical conditions to guarantee the supply of labor. However, this increase of wages above the value of labor power was hardly a straightforward progressive development since this primarily took the form of the incorporation of unproductive labor/waste, i.e., *specifically capitalist use values* aimed at absorbing surplus, into the production of wage goods—in ways that diminished whatever real gains workers experienced.

In effect, all wage goods under monopoly capitalism incorporated to varying degrees two components:  $W^V$ , reflecting genuine use values to workers and corresponding to the historically determined value of labor power (constituting genuine use values required by workers as compensation for the labor power expended), and  $W^S$ , corresponding to specifically capitalist use values incorporated into the wage goods and thus constituting a form of waste that served only to realize surplus (value).<sup>24</sup> Under these conditions, real wages (controlling for inflation) could increase, while at the same time a shift could take place from  $W^V$  to  $W^S$ , leaving the workers worse off than before.

In "Some Theoretical Implications" Baran and Sweezy thus indicated their broad agreement with Cambridge economist Piero Sraffa's notion that wages contained an element of surplus.<sup>25</sup> However, they explained this in terms derived from Marx, in the form of the systematic incorporation of waste into wage goods themselves, or  $W^S$ . In this view it was  $W^V$  rather than wages as a whole that corresponded to the use values necessary to reproduce the value of labor power, and hence the real value (measured in use value terms) of labor power.<sup>26</sup> At the same time workers were not able to extricate themselves from the specifically capitalist use values built into wage goods and

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constituting  $W^S$ . This provided a much deeper critical standpoint, highlighting the indispensable role of the economic surplus category as a supplement to surplus value.<sup>27</sup>

Looked at from this standpoint, workers could be seen as more heavily exploited, and the real surplus or social accumulation fund actually and potentially available to society (which included such waste-incorporated production) could be perceived as increasing—even if the wage share remained stable or even rose—provided that any upward shift in the wages of workers took the form of the relative growth of  $W^S$ . Under the regime of monopoly capital more and more of what was counted as costs of production were actually elements of the sales effort, such as car model changes, package design, and advertising. These were forms of wasted surplus that the workers had to pay for in purchasing a commodity—simply to get the portion of the product that consisted of genuine use values. All of this reflected the fact, as stated in *The Theory of Monopoly Capitalism*, that “under monopoly capitalism a growing proportion of workers employed within production itself are, to borrow a phrase from Marx, ‘useful and necessary only because of the faulty social relations—they owe their existence to social evils.’”<sup>28</sup>

Indeed, from the very beginning the most difficult problem raised by the conceptual apparatus of *Monopoly Capital* was conceiving the various forms of waste in the economic process, and the role of unproductive labor in the system (labor that did not generate surplus directly for capitalists but was nonetheless “useful” for monopoly capital since it helped absorb a portion of the surplus generated). As Sweezy had written in a letter to Baran as early as 1956, ten years before the publication of their book:

The real problems, it seems to me, are:

To get a good working idea of what is surplus, and for this the first essential is to understand that it is related only indirectly to ordinary distribution of income data. Lots of wages are paid out of surplus, i.e., whole categories of workers absorb surplus—likewise whole “industries” like advertising and finance. The trouble is that this creates very tricky problems and paradoxes. One has to go back to classical-Marxian ideas of productive and unproductive labor and adapt them to modern conditions and (if possible) statistics. This is a crucial branch of theory which does not exist for the Keynesians and other neo-classics.

(Analysis of the production sector. (The generation of surplus.) The institutional capitalist—laws of operation, relation to class structure and behavior, etc. Price policy, wage policy, technological compulsions, etc., etc.

(Analysis of the unproductive sector (absorption of surplus). The different categories of “absorbers”: luxury consumers, unproductive “industries,”

government, etc., including complex transfer relations.

The interactions of the productive and unproductive sectors—full of unexplored problems. In an underdeveloped capitalist economy, e.g. it might do to assume that wages and profits in the unproductive sector are determined in the (much larger) productive sector. But obviously that won't do in an economy like the U.S. today in which the unproductive sector may well be larger than the productive.

The crucial contradiction, i.e., that “working well” for a system of this type means, indeed necessitates, a growing departure from the possible attainments of the system's resources (in human, natural and technological terms) in the line of welfare, abolition of exploitation, freeing civilization from the poison of wealth fetishization, etc. What we have is a progressive degradation of civilization instead of its progressive improvement.<sup>29</sup>

*The Theory of Monopoly Capitalism* was centered on precisely this core conceptual structure of Baran and Sweezy's analysis—the treatment of economic surplus and waste—while also seeking to correct misinterpretations of their work. The economic surplus was understood as the full social accumulation fund potentially available in a rationally organized society, much of which was systematically wasted away under monopoly capitalism.<sup>30</sup> I ended my book by noting: “Only Baran and Sweezy [after Veblen] extended the concept of waste into the ‘consumption basket of wage goods.’ And it seems probable that this is the missing link in the understanding the evolution of class relationships under monopoly capitalism.” The enigma here, however, was not one that I could solve and the basic question remained.<sup>31</sup>

The discovery of the hitherto unknown “Some Theoretical Implications” has confirmed the interpretation of their work provided in *The Theory of Monopoly Capitalism*, while offering a definitive answer to the frequent criticism of their work for having rejected the labor theory of value—as well as the closely connected criticism that their analysis had “no theory of wages at all.”<sup>32</sup> With Baran and Sweezy's analysis of the role of profits by deduction under monopoly capital—linking their analysis more explicitly to Marx's surplus value—now finally available, new, and potentially fruitful lines of inquiry within Marxian political economy are opened up. Not the least important of these new developments, as we shall see, is the linking of Baran and Sweezy's concept of waste under monopoly capital to the Marxian ecological critique.

The publication of Baran and Sweezy's other missing chapter, “The Quality of Monopoly Capitalist Society: Culture and Communications,” helps resolve another anomaly related to *Monopoly Capital*. In the 1970s, in particular, a new critical literature on the political economy of communication arose in universities in Canada, the United States, the United Kingdom, and



elsewhere. One of the founders of the political economy of communication, Dallas Smythe, singled out *Monopoly Capital* in particular for critique in his formative article, "Communications: The Blind Spot of Western Marxism."<sup>33</sup> Such criticisms of their work for neglecting communication in their analysis in *Monopoly Capital* have continued to the present day.

However, the discovery of the missing chapter on culture, focusing on book publishing and broadcasting—when coupled with their work on advertising and Leo Huberman and Sweezy's critique of the Federal Communications Commission and broadcasting—dramatically altered the picture in this respect. In this missing chapter Baran and Sweezy introduced a critique of the "cultural apparatus of monopoly capitalism" growing out of the analysis of Brecht and the Frankfurt School (with which Baran was associated) and at the same time closely related to foundational work in the political economy of communication by such thinkers as C. Wright Mills, Raymond Williams, and Ralph Miliband. The work of Baran, Sweezy, Mills, Williams, and Miliband in this respect was aimed explicitly at the political struggle over the cultural apparatus—at a time, in the early 1960s, when the issue was not conceived primarily as an "academic" one. Today, when technological change—including the whole digital revolution—along with renewed concentration and centralization of media, have brought the issue of radical communication reform back into the public eye, these works can be seen as acquiring renewed importance.

## Labor and Monopoly-Finance Capital

If Baran and Sweezy's *Monopoly Capital* appeared on a surface reading to have ignored the whole question of the value of labor power and wage determination—an issue that was not entirely clarified until the publication of "Some Theoretical Implications"—their neglect of the labor process itself was explicitly highlighted by them as a self-imposed boundary of their "essay-sketch" as they called it. As they wrote,

We do not claim that directing attention to the generation and absorption of surplus gives a complete picture of this or any other society. And we are particularly conscious of the fact that this approach, as we have used it, has resulted in almost total neglect of a subject which occupies a central place in Marx's study of capitalism: the labor process. We stress the crucial role of technological change in the development of monopoly capitalism but make no attempt to inquire systematically into the consequences which the particular kinds of technological change characteristic of the monopoly capitalist period have had for the nature of work, the composition (and differentiation) of the working class, the psychology of workers, the forces of working-class organization and struggle, and so on. These are all obviously important studies which would

have to be dealt with in any comprehensive study of monopoly capitalism.<sup>34</sup>

This omission was in large part repaired within a decade of Baran's death by Harry Braverman in his *Labor and Monopoly Capital*, published in 1974. Braverman's work consisted of a brilliant resurrection of Marx's labor process analysis, placing this in the context of Frederick Winslow Taylor's theory of scientific management and the new conditions represented by monopoly capital.<sup>35</sup> Baran and Sweezy contended in the closing chapter of their book that the revolutionary momentum in history had shifted from the industrial proletariat in the advanced capitalist economies to the emerging proletariat of the periphery. The main hope of revolt in the center at that time, seemed to be occurring on the margins—particularly the revolts of people of color and students, but with the larger part of the working class left out of the struggle. For Baran and Sweezy, however, the issue of the working class in the center remained crucial and was at the heart of their long-term analysis, despite its quiescence at the time.<sup>36</sup>

Braverman's work thus began a long process of incorporating the analysis of the working class within the center of the political-economic critique of monopoly capital. Magdoff and Sweezy's articles in *Monthly Review* in the 1970s, '80s, and '90s dealing with rising unemployment played more than a small part in this. A bigger role in this respect, however, was represented by the work of Michael Yates, who has written a series of critical analyses linked to the general monopoly-capital tradition, in such works as *Why Unions Matter*; *Longer Hours, Fewer Jobs*; *Naming the System*; and *More Unequal* (the last an edited collection).<sup>37</sup> Yates's work stands out, not only in the clarity of its political-economic perspective, but also in its presentation of the *real working class*, with race, gender, ethnicity, and sexual orientation occupying a central place in the analysis, along with the consideration of the international setting of working-class struggles.

However, for Sweezy the most important weakness of the theoretical perspective introduced in *Monopoly Capital* lay elsewhere: in its failure to integrate the financial structure of the system into its central theme of the absorption of the economic surplus. As he stated in 1991, on the twenty-fifth anniversary of his book with Baran, this failure was the result of weaknesses in the whole way in which capital accumulation has been traditionally conceived:

Why did *Monopoly Capital* fail to anticipate the changes in the structure and functioning of the system [with respect to financialization] that have taken place in the last twenty-five years? Basically, I think the answer is that its conceptualization of the capital accumulation process is one-sided and incomplete. In the established tradition of both mainstream and Marxian economics, we treated capital accumulation as being essentially a

matter of adding to the stock of existing capital goods. But in reality this is only one aspect of the problem. Accumulation is also a matter of adding to the stock of financial assets. The two aspects are of course interrelated, but the nature of this interrelation is problematic to say the least. The traditional way of handling the problem has been in effect to assume it away: for example, buying stocks and bonds (two of the simpler forms of financial assets) is assumed to be merely an indirect way of buying real capital goods. This is hardly ever true, and it can be totally misleading.

This is not the place to try to point the way to a more satisfactory conceptualization of the capital accumulation process. It is at best an extremely complicated and difficult problem, and I am frank to say that I have no clues to its solution. But I can say with some confidence that achieving a better understanding of the monopoly capitalist society of today will be possible only on the basis of a more adequate theory of capital accumulation, with special emphasis on the interaction of its real and financial aspects, than we now possess.<sup>38</sup>

*Monopoly Capital* had not entirely ignored the role of the financial sector, but rather had included a brief section at the end of the chapter on "The Sales Effort" dealing with FIRE (finance, insurance, and real estate) as a "means of utilizing surplus." In fact, Sweezy had recognized the problem of incorporating finance into the argument as early as 1956, in his letter to Baran quoted above. Moreover, Magdoff, who joined Sweezy as coeditor of *Monthly Review* following Huberman's death in 1968, had underscored the issue of the rising debt structure in the U.S. economy in an article he wrote for *The Socialist Register* in 1965.<sup>39</sup>

I thus on one occasion indicated to Sweezy that I thought his criticisms of *Monopoly Capital* for failing to address financialization were too severe. To point to the importance of a development prior to its historical ascendancy—as their book had, in the section at the end of "The Sales Effort" chapter—was remarkable in itself. However, he did not choose to take this way out. His concern was not so much with the book itself but with the basic theory, which he thought remained deficient in this respect. He did not know how to answer this question, nor did anyone else. As he said at one point:

I sometimes have the feeling that economics now is in need of a general theory, in the sense that physics seems to be in need of a general theory, i.e., that there are a lot of things that are going on that don't fit into the standard physical theories. And they are looking for a general field theory which would unify all of it. They don't have it yet. In economics, we need a theory which integrates finance and production, the circuits of capital of a financial and a real productive character much more effectively than our traditional theories do. I don't see that anyone is actually producing it.

Some people are beginning to become aware of the need for it, but it's terribly complicated. And I'm sure that I'm too old to be able to think of those things. I can get snatches, insights here and there, but I can't put it together into a comprehensive theoretical framework. I think it will take somebody who starts differently and isn't so totally dominated by M-C-M', the industrial circuit, with the financial circuits always being treated as epiphenomenal, not part of the essential reality.<sup>40</sup>

All of this related to the political-economic history that followed the reemergence of the stagnation tendency in the mid-1970s. Initially, the economic crisis of the 1970s seemed fully to confirm Baran and Sweezy's argument in *Monopoly Capital*. Magdoff and Sweezy, writing in *Monthly Review*, interpreted this as the development of stagnation, or slow growth and rising unemployment and excess capacity, due to the effects of monopolization and industrial maturation on accumulation in the advanced capitalist economies. This made it harder and harder to expand the capital goods sector. The system constantly threatened to sputter out due to the effects of capital accumulation in the past and the vast amassing of productive capacity, much of which lay idle, discouraging new investment. Military spending could help soak up some of the excess surplus, but short of a truly epoch-making innovation capable of driving the whole capital accumulation process to new levels there was no escaping the fundamental trap.

If the system did not actually sink into a deep stagnation, Magdoff and Sweezy were quick to conclude, it was mainly because more and more surplus was flowing in a paradoxical way into the realm of the financial superstructure of the economy, lifting the system by indirectly stimulating production (or what was sometimes called "the real economy"), through employment in that sector and the effects of wealth creation on capitalist-class expenditures, particularly luxury consumption.<sup>41</sup> The main political-economic project, pursued both empirically and theoretically, in *Monthly Review*, beginning in the 1970s but increasingly becoming the overriding focus of the editors in the 1980s, was the financial explosion—what Sweezy in 1997 was to call "the financialization of the capital accumulation process." The fundamental analysis was laid out in Magdoff and Sweezy's 1987 book, *Stagnation and the Financial Explosion*.<sup>42</sup>

*The Theory of Monopoly Capitalism*, published on the twentieth anniversary of *Monopoly Capital*, made not the slightest mention of this problem—beyond pointing out that Baran and Sweezy had seen finance as one form of the "diversion" of economic surplus, given the stagnation of investment.<sup>43</sup> This reflected a conscious decision that I made when I wrote the book. In 1975, when I attended my first Union for Radical Political Economics conference, Magdoff and Sweezy's "Banks Skating on Thin Ice"

article had just been published and was quite the rage.<sup>44</sup> In the early 1980s, as I entered more directly into these discussions, I became acutely aware of the central focus on the financial explosion and its significance for accumulation. Magdoff, in particular, continually encouraged all of the younger political economists associated with *Monthly Review* to make this their central area of research, and Sweezy seconded this at every opportunity. A few individuals, most notably Robert Pollin, followed this advice.<sup>45</sup>

My own response was different. Neither mainstream nor Marxian economics offered any real basis for a theoretical understanding of the questions then being raised with regard to the financial explosion. I studied, in addition to Magdoff and Sweezy's own work on the subject, the writings of Hyman Minsky on financial instability. I tried also to see how the financial explosion might be connected to Steindl's theory. But in 1984, at the time I wrote my dissertation, I could see no way of dealing adequately with the problem of exploding finance and its relation to monopoly and stagnation, and, rather than float some loose hypotheses, I left it out of the analysis. I was unable to appreciate fully the challenge of analyzing problems that, although real, seemed unanswerable—at least in the historical present. Hence, my basic reaction to discussions of the financial explosion was similar to those of most of my peers: this could only mean a financial bubble, followed by a financial crisis or meltdown. All of this had happened innumerable times in the history of capitalism. The deeper questions raised by financialization as an economic trend possibly lasting for decades, which Magdoff and Sweezy were beginning to pose—and the relation of this to the transformation of the capital accumulation process—hardly penetrated my consciousness at the time. And to the extent that such questions did in some dim way enter into my thinking I could see no meaningful theoretical way of approaching them. In the early-to-mid-1980s the big build up of private debt and the rapid growth of financial innovation still had the feel of a new historical development, and the concrete bases of analyzing it in terms of the present as history (apart from what was known about financial cycles) were scarcely available at the time.

It was not until the great Stock Market Crash of 1987 that it was clear how much the system had changed as a result of financialization. It was at this time that Magdoff and Sweezy began to articulate the first real outlines of a theoretical analysis of the changes in the capital accumulation process due to the financial explosion.<sup>46</sup> Sweezy made this most explicit in 1994 in "The Triumph of Financial Capital" where he pointed to:

the development, in the last twenty years or so of a relatively independent—relative, that is, to what went before—financial superstructure sitting on top of the world economy and most of its national units. It is made up of banks—central, regional, and local—and a host of



dealers in a bewildering variety of financial assets and services, all interconnected by a network of markets, some of which are structured and regulated, others informal and unregulated. Such an entity is multi-dimensional, and there is no conceptual unit that could be used to measure its size. But that it is very large and growing is not only intuitively evident but clearly reflected in statistics that relate to measurable aspects of the whole.

I said that this financial superstructure has been the creation of the last two decades. This means that its emergence was roughly contemporaneous with the return of stagnation in the 1970s. But doesn't that fly in the face of all previous experience? Traditionally financial expansion has gone hand-in-hand with prosperity in the real economy. Is it really possible that this is no longer true, that now in the late twentieth century the opposite is more nearly the case: in other words, that now financial expansion feeds not on a healthy real economy but a stagnant one?

The answer to this question, I think, is yes it is possible, and it has been happening. And I will add that I am quite convinced that the inverted relation between the financial and the real is the key to understanding the new trends in the world [economy].<sup>47</sup>

One result of financialization, he stated, was a shift in power within the capitalist class. "The locus of economic power has shifted along with the ascendancy of financial capital. It has long been taken for granted, especially among radicals, that the seat of power in capitalist society was in the boardrooms of a few hundred giant multinational corporations." But in the late 1990s this was no longer the case in the same sense: "real power is not so much in corporate boardrooms as in the financial markets."<sup>48</sup>

What distinguished Magdoff and Sweezy's analysis from all other discussions of financial instability was precisely the fact that they saw financialization as a *trend* arising from long-run stagnation of capital formation in the center-capitalist countries—as opposed to mere financial bubbles and crises that appeared sporadically, usually at the peak of a production boom, over the history of the system. As the stagnating accumulation process became more and more dominated by the growth of financialization in the 1980s and after, the nature of the system was transformed, altering the relation between the productive and financial circles of capital in ways that were difficult to discern. Nonetheless, financialization carried with it its own limits and crises, leading to financial implosions that reverberated back on the real economy.

When I became coeditor of *Monthly Review* in 2000, the first article I took the main responsibility in drafting was on "Working-Class Households and the Burden of Debt," focusing specifically on the increasingly debt-ridden

condition of the lower income-quintiles of the population, including the potential consequences in terms of laying the grounds for “cascading defaults” and the advent of a serious financial crisis.<sup>49</sup> The next year I wrote an article together with Magdoff and McChesney that focused on “The New Economy: Myth and Reality” and pointed to the structural weaknesses of the financial speculation linked to the expansion of high technology.<sup>50</sup> While we were working on these articles the high-tech stock market crash occurred, followed by a deeper stagnation and working-class defaults. In subsequent years we returned to these problems, referring in passing as early as 2002 to the possible bursting of the real-estate bubble.<sup>51</sup> However, it was not until 2006 that I realized the full magnitude of the housing bubble when I took up the subject of working-class debt once again in an empirical analysis of “The Household Debt Bubble.” Fred Magdoff (Harry’s son) followed this up later that year with a statistical treatment of “The Explosion of Debt and Speculation.” With this as the background, I wrote my article “Monopoly-Finance Capital” in 2006, on the fortieth anniversary of *Monopoly Capital*, where I returned to the basic theory attempting to synthesize the arguments on stagnation and financialization that had been developed, primarily by Magdoff and Sweezy, over the previous four decades, and articulating this as a new phase of the monopoly stage of capitalism—or what I called “monopoly-finance capital.”

A central concept that emerged from this work was the notion of the “stagnation-financialization trap.” Although financialization was in many ways a response to the long-term economic slowdown that began in the 1970s it was unable to overcome the atrophy of accumulation within the “real economy,” creating instead a system that was more unstable, unpredictable, and more difficult to control. This underlying conception was at the root of the articles that Fred Magdoff and I wrote on financialization and crisis before and after the bubble popped in 2007–2008, leading to the publication of *The Great Financial Crisis* in January 2009 only a few months after the collapse of Lehman Brothers.<sup>52</sup>

Three years later in 2012 McChesney and I wrote *The Endless Crisis*, explaining that the stagnation now clearly afflicting the capitalist core of the world economy, while surfacing only as a result of the financial crisis, was in itself the underlying problem, out of which financialization had emerged as a countervailing factor. It followed that there was no visible solution in sight for the system at present other than further financialization with the accompanying financial bubbles, leading to still bigger meltdowns down the road. According to this interpretation, what is known today as neoliberalism represents the dominant political-economic strategy of capital in the phase of monopoly-finance capital. The diversion of cash flow to the financial sector and the preservation and enhancement of financial assets have become in



many ways more important than production or employment, requiring that the state be increasingly subjected to the needs of the plutocracy.<sup>53</sup>

*The Endless Crisis* also included three other innovations within this theoretical tradition. First, it explored the continuing concentration and centralization of the economy both within the United States and internationally, demonstrating that monopoly power, marked by the growth of what Sweezy had called a “community of oligopolies” dominating over the economy as a whole, had continued to grow within both the U.S. and world economies.<sup>54</sup> By the beginning of the new millennium the top 200 corporations in the United States accounted for about 30 percent of gross profits in the economy (up from about 13 percent in 1950), while at the world level the top 500 global corporations received nearly 40 percent of total global revenue (up from less than 20 percent in 1960).<sup>55</sup> Second, building on the early work of Stephen Hymer (including articles that had appeared in *Monthly Review*), *The Endless Crisis* showed how the internationalization of monopoly capital had globalized production through a “divide-and-conquer” system of global labor arbitrage. This shifted production to those global export platforms with the lowest unit labor costs, taking advantage of a vast global reserve army of labor that outnumbered the world’s active, formal labor army. Third, this general analysis of the globalization of production under the hegemony of monopoly-finance capital was extended to the rapidly expanding Chinese economy and the growing contradictions associated with both its internal labor force exploitation and its lopsided integration within the world economy.<sup>56</sup>

### Imperialism: Continuity and Change

Undoubtedly, changed world conditions, with the advent of a more globalized production system, make the treatment of imperialism and dependency in *The Theory of Monopoly Capitalism* appear dated three decades later. But the continuities with the past, where imperialism is concerned, loom larger than those changes that distinguish the present. Since the beginnings of capitalism the dominant context at the international level has been that of an imperialist world system. The chapter on imperialism in *The Theory of Monopoly Capitalism* was concerned with criticisms of Marxian dependency theory by more traditionalist (sometimes Eurocentric) Marxists who rejected it for its alleged: (1) “third worldism,” (2) focus on exchange rather than production, (3) lack of class analysis, and (4) contention that third world countries could not economically develop. Most such criticisms at the time were aimed at the early work of Frank, particularly *Capitalism and Underdevelopment in Latin America*. The argument that I put forward in *The Theory of Monopoly Capitalism* was that Frank’s work in this respect—while it attracted a lot of attention due to the forcefulness of his contentions, and



constituted an important contribution—was not the strongest version of the Marxian theory of imperialism and dependent accumulation. The more sophisticated analyses could be traced to the earlier, more foundational work of Baran, in particular, and also Samir Amin, representing more dynamic approaches rooted in class analysis, the Marxian theory of accumulation, and the treatment of economic surplus. Where thinkers of the caliber of Baran and Amin were concerned, the sometimes-doctrinaire criticisms leveled against Marxian theories of imperialism and dependency fell short of their targets.

At the time that I was writing *The Theory of Monopoly Capitalism* I tended to think of the broad dependency perspective as having arisen primarily in Latin America, with Baran and Amin (the former coming out of the debates in Russia and Germany, the latter rooted in African conditions) as Marxian outliers who nonetheless had played critical roles in its development. I was ignorant of the extent to which the dependency approach to imperialism, and with this the extent to which Baran's (and also to a degree Amin's) theory, had emerged in a fairly straight line out of the efforts of the early Comintern under the leadership of Lenin to formulate a theory of imperialism that captured the full dimension of the imperialist exploitation of third world countries. As the Research Unit for Political Economy in Mumbai, India has demonstrated, Baran's perspective can be traced back to the theses advanced by Lenin and representatives of peripheral-capitalist countries at the Second Congress of the Comintern in 1920 and in its Sixth Congress in 1928. Mao Zedong developed these theses further in relation to Chinese conditions beginning in 1926. Other major figures in these debates in the 1920s were M. N. Roy in India and José Carlos Mariátegui in Peru.<sup>57</sup>

As a Russian-born-and-educated Marxist, Baran was undoubtedly well aware of these debates, which influenced his own systematization of the Marxian dependency (or dependent development) theory. What Baran brought to this debate that was unique was an analysis focusing on the utilization of actual, potential, and planned surplus—a perspective drawn from socialist planning that established the theoretical basis for third world revolution, influencing figures like Che Guevara.

Developing his own analysis independently and in parallel ways, between the late 1950s and the early '80s Samir Amin crafted a theory of accumulation on a world scale that explored such issues as unequal exchange/superexploitation, the role of monopoly capital in imperialism, autocentric versus disarticulated accumulation, delinking, and economic self-reliance in post-revolutionary societies. In my view, this was the most authentic and developed Marxian theory of imperialism in the late twentieth century, deriving not from a set of sterile formulae, but rather the product of historical analysis and historical contingency. Sweezy's later writings on imperialism were deeply influenced by Amin, emphasizing the much higher rate of

exploitation in the periphery. Meanwhile Magdoff provided a powerful historical approach to the evolution of imperialist relations as they arose in the center-capitalist nations, coupled with an understanding of the economic (and military) aspects of this—including a critique of the growing debt trap imposed on the periphery.

But how relevant is all of this today, in the age of neoliberal globalization and with the growth of emerging economies? Has not development in the global South taken off? Here it is necessary to take a hard look at reality. Although a handful of emerging economies, mostly in East Asia, have achieved high rates of growth in recent decades the continuance of the imperialist world system as a whole is scarcely in doubt. The gap between the richest and poorest regions of the world in the last quarter of the twentieth century rose from 13:1 to 19:1.<sup>58</sup> From 1970 to 1989 the annual average per capita GDP of the developing countries (excluding China) was a mere 6.1 percent of the per capita GDP of the G7 countries (the United States, Japan, Germany, France, the United Kingdom, Italy, and Canada). From 1990 to 2006 (just prior to the Great Financial Crisis) this dropped to 5.6 percent. Meanwhile, the average GDP per capita of the forty-eight Least Developed Countries (a U.N.-designated subset of developing countries) as a share of average G7 GDP per capita declined from 1.4 percent in 1970–1989 to 0.96 percent in 2000–2006.<sup>59</sup> Given that income inequality is rapidly increasing almost everywhere in the world in the age of globalizing monopoly-finance capital, the gap in income and wealth between those at the top and those at the bottom of the world hierarchy is widening by leaps and bounds. In 2008 the richest 10 percent of the world's population consumed 59 percent of world output, in contrast to the poorest 10 percent, which consumed a mere 0.5 percent (with the poorest 50 percent consuming 7.2 percent).<sup>60</sup>

Indeed, appearances today can be extremely deceptive. The more globalized capitalist economy of the twenty-first century, in which the giant corporations based in the center of the capitalist world have shifted much of their production to the periphery (with the produced goods then in large part shipped back to the center to be sold), has altered the shape of the world economy in ways that appear to contradict classical theories of imperialism rooted in the exploitation of the global South by the global North.<sup>61</sup> Yet, while it is true that a handful of emerging economies, led by China, are catching up in terms of measured GDP with the countries of the triad (the United States and Canada, Europe, and Japan), the siphoning off of economic surplus (or “value capture”) from the global South as a whole is nonetheless expanding rapidly under the system of global arbitrage unleashed by the giant multinationals.

For example, in 2006 Apple had a gross profit margin of 52 percent on

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its iPod production subcontracted overseas. The main reason for these exorbitant profits was the fact that the 12,500 Chinese production workers received a wage rate that was only 3.2 percent of the hourly wages of U.S. production workers for what was undoubtedly even more intensive labor. Overall gross profit margins on iPhones in 2009 were 64 percent, reflecting the fact that the wages of Chinese workers assembling the iPhones represented only 3.6 of the total manufacturing cost (shipping price) of the phone.<sup>62</sup> Such enormous surplus value captured from abroad magnifies problems of overaccumulation in the core.

In recent years Samir Amin has expanded the analysis of imperialism by developing a theory of imperialist rent based on what he has called the emerging "law of worldwide value." Explaining the origins of this analysis he writes:

Baran, Sweezy, and Magdoff have brought about a qualitative advance in this domain [the understanding of monopoly capital]. They alone allow an understanding of the nature of capitalism in our time, both its tendency to stagnate and the ways in which it tries to overcome that tendency (especially financialization).

Extending that analysis, I have put forward the thesis that the advanced degree of centralization of capital, henceforward characteristic of contemporary capitalism, made it worthwhile to speak, for the first time, of a system of generalized, globalized, and financialized oligopolies—the basis for the crystallization of a collective imperialism of the triad of the United States, Europe and Japan.<sup>63</sup>

This new imperialism of our time, led by a resurgent U.S. hegemony, albeit now increasingly reliant on a "global NATO," has resorted to enhanced military spending and outright war to consolidate its power. This can be seen in the wars in the Balkans, the Middle East, and surrounding regions since the fall of the Soviet Union (which had served as a restraining force) representing the advent of a more naked imperialism.<sup>64</sup> Meanwhile, the same triadic formation has been at the forefront of neoliberal globalization aimed at weakening all points of resistance to monopoly-finance capital, while reducing unit labor costs globally and siphoning more surplus to the benefit of the core. In these circumstances, the continuing need for revolution in the global South is shown by the Bolivarian revolution in Venezuela, long under the U.S. thumb in alliance with a small local ruling class, but now free to redistribute its considerable surplus to meet the needs of its population and forge a more sustainable development path (if one still dependent on fossil-fuel exports). Hence, despite changed circumstances it remains true that for most of the population of the periphery genuine progress in terms of the creation of a society of substantive equality and sustainable human

development must be revolutionary, as was argued in *The Theory of Monopoly Capitalism*.

### The State in Capitalism and Socialism

The state in capitalist society, Baran and Sweezy insisted in *Monopoly Capital*, was a *capitalist state*: one that was “democratic in form and plutocratic in content.” Although “the people exercise sovereign power,” in reality “a relatively small oligarchy rules supreme.” This did not mean that the rule of the capitalist class was an unmediated one. Rather, in the U.S. case, all sorts of structures had been built into the U.S. constitution by its founding figures—and have further evolved since—designed to ensure that the state would primarily serve propertied interests rather than popular sovereignty. Moreover, there was a “latent contradiction in the system.”<sup>65</sup> Any success in the realm of democratic action and the assertion of popular sovereignty, insofar as it meant shifting economic and social power significantly in favor of the populace, tended to generate a crisis of class power, in which the ruling class quickly moved to rein in the possibilities for meaningful change. Progressive reform movements, if and when they triumphed, found their political practice narrowly confined within the limits of what could be accomplished without compromising capital accumulation or the political-economic rule of the vested interests.

Written in the 1980s, the discussion of “The State Economy” in *The Theory of Monopoly Capitalism* focused on the issue of “the fiscal crisis of the state” from the standpoint of the debates engendered by the supply-side economics and neoliberal policy of the Reagan period. My analysis pointed to deficiencies in both O’Connor’s fiscal crisis theory and Baran and Sweezy’s earlier treatment of state spending in *Monopoly Capital*. The critique in this sphere, I argued, had to start with the fact that the tax state was a capitalist state with the attendant political-economic limitations on its capacity to tax concentrated income and wealth; while, conversely, taxation of working-class income tended to increase the surplus and worsen the underlying tendency to stagnation. This analysis was built on the work of Schumpeter, Kalecki, Steindl, Baran (in *The Political Economy of Growth*), and the later writings in *Monthly Review* by Craig Medlen, along with Magdoff and Sweezy.<sup>66</sup> Regressive tax policies of the kind increasingly advanced by capital worsened the problem of overaccumulation. Given the inherent long-term limits of deficit financing, taxation of profits and wealth was necessary to stabilize the economy.

The crisis of the tax state that was rapidly emerging in the 1980s was thus attributed directly to the long-term decline in corporate taxation and taxes on higher income brackets. Today this argument is even more relevant with the further development of neoliberal monopoly-finance capital. Regressive tax

cuts accompanied by cutbacks in welfare state spending and increased subsidies to capital have created a perpetual fiscal crisis of the state. The result has been the diversion of more and more cash flow into financial sectors (particularly via insurance and private pension plans), heightened unemployment (and underemployment), expanded military and penal spending, stripped-down education, circumscribed access to health services, and a further disciplining of the working class. All this is in line with what Naomi Klein has called "disaster capitalism."<sup>67</sup>

A later chapter dealt with the problems of the state and socialist construction in post-revolutionary societies. If the capitalist class in monopoly capitalism masqueraded as an economic elite devoid of political interests, the party bureaucrats or *nomenklatura* in the former Soviet-type societies masqueraded as a political elite devoid of economic interests. In both cases, the nature of class power over or through the state was denied. The analysis of Soviet-type societies in *The Theory of Monopoly Capitalism* was written only months after Gorbachev's historic rise to power and well before the historical implications of that rise were clear. I adopted Sweezy's post-revolutionary society thesis that these societies were, as I put it, "class-exploitative societies of a new kind"—neither capitalist nor identifiable as socialist in the sense of moving toward socialism.<sup>68</sup> In post-revolutionary societies the inherent drive to accumulation was lacking and the utilization of the surplus was politicized. But this had not prevented the rise of a new ruling class, whose position, however, was more tenuous than that of the capitalist class in the West. Nor did it prevent the proletarianization to a large extent of the workers, who, though lacking in some crucial freedoms, also enjoyed certain guarantees in terms of employment, housing, welfare, etc. not present under the dominant forms of capitalism at a similar level of development. Two things seemed clear: (1) Soviet-type societies by the 1980s were stagnating socially and economically, and (2) the very politicization of the utilization of surplus meant that there were only two choices—the demise of the system from above or its regeneration from below. The future of the system would not be determined, I suggested, by economic laws, but by a struggle over the state direction of the economy and the role of the state class.

Beyond this it appeared difficult at the time to say anything. Hence, the analysis of these contradictions was tacked on to the end of the book and the treatment was short and indeterminate. History would decide. Five years later the Soviet Union was no more—not, as a result of a revolt from below, but due to a transition to capitalism initiated and carried out from above. In China, too, the full extent of the shift to the capitalist road introduced from above—or, as William Hinton called it, *The Great Reversal*—was made clear by the events at Tiananmen Square.<sup>69</sup>

Today the lessons of the defeat of the first great revolt against the capitalist

system have been incorporated into subsequent revolutions, leading to a renewal of socialism as the necessary historical alternative in the twenty-first century.<sup>70</sup> What I consider to be the foremost analysis of socialist transition, taking into account both the nature of monopoly capitalism and the failures of actually existing socialism—and indeed representing the most comprehensive theoretical appraisal of Marxism in its time—appeared in 1995 in the form of István Mészáros's monumental work *Beyond Capital*.<sup>71</sup> The owl of Minerva had flown. Socialist strategy and practice were being reinvented for the new millennium.<sup>72</sup>

### Communication and the Environment: New Critical Areas

In the early 1960s through the early '70s in both Britain and the United States (the timing was different in the two countries) a "critical juncture" arose in which the cultural apparatus of society broadly, and specifically the monopolistic media systems, were being challenged politically.<sup>73</sup> Baran, Sweezy, and Huberman, along with other figures, such as C. Wright Mills, Raymond Williams, and Ralph Miliband, all wrote critiques of communication in these years—though in the case of Baran and Sweezy's chapter on culture and communications this had remained unpublished, and in the case of Mills, what he left behind in this respect consisted of a few critical talks, while his planned work on the topic of "the cultural apparatus" remained unwritten.

In the 1970s a tradition of the political economy of the media arose in the academy on a basis quite different than what had occupied the 1960s radicals. What resulted was in some ways a more far-reaching critique, but in a context where the issues were seen as less concrete, political, and strategic. What was lost was the real, immediate movement for change. Nonetheless, such founding figures of the political economy of communication as Dallas Smythe and Herbert Schiller made major contributions that paved the way for others to follow.<sup>74</sup> However, it was McChesney, coming later, who was to play the leading role in integrating communication theory with the critique of monopoly capital, in such works as *Rich Media, Poor Democracy*; *Communication Revolution*; *The Political Economy of the Media*; and *Digital Disconnect*.<sup>75</sup>

The speed with which the entire digital realm, including the Internet, has been transformed into an oligopolistic sphere undoubtedly dumbfounded those who had been blinded by the dominant myths, such as Bill Gates's prediction of a "friction-free capitalism."<sup>76</sup> Today we are in a new critical juncture where a political struggle over communication is taking place that makes the early work of Baran and Sweezy, along with that of Huberman, Mills, Miliband, and Williams, of crucial importance. As McChesney writes in the conclusion to *Digital Disconnect*: "When the dust clears on this critical

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juncture, if our societies have not been fundamentally transformed for the better, if democracy has not triumphed over capital, the digital revolution may prove to have been a revolution in name only, an ironic, tragic reminder of the growing gap between the potential and the reality of human society.”<sup>77</sup>

For some of us studying Baran and Sweezy’s *Monopoly Capital* in the 1970s, in the era of a rising environmental movement, their work—with its emphasis on waste and the real potential to reshape society in more rational ways that met human needs—was deeply ecological. Indeed, their work inspired some of the early critical syntheses in environmental sociology.<sup>78</sup> Sweezy’s 1973 article “Cars and Cities” and his later “Capitalism and the Environment” were pioneering contributions to Marxian ecology.<sup>79</sup>

In 1994 I wrote *The Vulnerable Planet: A Short Economic History of the Environment* in an attempt to provide both a historical-materialist interpretation of the emerging global ecological disruption, and an analysis that integrated environmental issues with the theory of monopoly capital—as witnessed by the connections drawn between the work of Barry Commoner, criticizing the synthetic age, and Baran, Sweezy, and Braverman.<sup>80</sup> However, like others in the first generation of what is sometimes called “ecological Marxism,” I found myself grafting historical-materialist conceptions onto what was essentially the general “green” theory of mainstream environmentalism. Since the main currents of Marxist thinking had for generations been largely divorced from ecological considerations (a problem not confined to Marxism of course), I concluded that it was necessary to go back to classical Marxism in this respect in order to reconstruct the basis of a full-fledged critique. Paul Burkett, in his *Marx and Nature*, and myself in *Marx’s Ecology*, carried out this task separately in 1999 and 2000 from different but complementary perspectives, launching what could be called a second stage in ecological Marxism.<sup>81</sup> It is only more recently, however, that the necessary first attempts have been made (in what might be called a third phase in contemporary Marxist ecology) to connect this developing Marxian ecological analysis to the reality of monopoly-finance capital, as in my article “The Ecology of Marxian Political Economy.”<sup>82</sup>

### The Revolutionary Confrontation of Reality with Reason

What made Baran and Sweezy’s analysis in *Monopoly Capital* so important is that—to paraphrase Brecht—it described present-day reality in the only way that it can be described, by pointing to the potential for its transformation. In *The Political Economy of Growth*, Baran wrote:

The development of capitalism in general and its last phase—monopoly capitalism—in particular, while nowhere near creating anything resembling a good society, has produced the objective potentialities for the emergence of such a society. The prodigious expansion of the forces of

production which has taken place during the period of imperialism, although a by-product of war, exploitation, and waste, has indeed laid the foundations for the truly affluent society of the future. But such a society cannot evolve under the rule of an oligarchy administering society's vast resources for the benefit of a few hundred giant corporations and with the all-controlling purpose of the preservation of the *status quo*. Such a society can become reality only when its abundant resources will be administered by a human "association in which the free development of each is the condition for the free development of all."<sup>83</sup>

It was this potential for a different kind of society which Baran and Sweezy discovered in the waste and irrationality of the monopoly-capitalist order that constituted the uncompromising *realism* of their analysis: the annihilation of all reification.

## Notes

1. Bertolt Brecht, *Brecht on Theater* (New York: Hill and Wang, 1984), 274.
2. John Bellamy Foster, *The Theory of Monopoly Capitalism: An Elaboration of Marxian Political Economy* (New York: Monthly Review Press, 1986).
3. Paul A. Baran and Paul M. Sweezy, *Monopoly Capital* (New York: Monthly Review Press, 1986).
4. Ernest Mandel, *Marxian Economic Theory*, 2 volumes (New York: Monthly Review Press, 1968); E.K. Hunt and Howard J. Sherman, *Economics: An Introduction to Traditional and Radical Views* (New York: Harper and Row, 1972); Howard J. Sherman, *Radical Political Economy* (New York: Basic Books, 1972); Andre Gunder Frank, *Capitalism and Underdevelopment in Latin America* (New York: Monthly Review Press, 1967); Harry Magdoff, *The Age of Imperialism* (New York: Monthly Review Press, 1969); Paul M. Sweezy, *The Theory of Capitalist Development* (New York: Monthly Review Press, 1972); James O'Connor, *The Fiscal Crisis of the State* (New York: St. Martin's Press, 1973); and Harry Braverman, *Labor and Monopoly Capital* (New York: Monthly Review Press, 1974).
5. Assar Lindbeck, *The Political Economy of the New Left* (New York: Harper and Row, 1971).
6. Ben Fine and Laurence Harris, "Controversial Issues in Marxian Economic Theory," *The Socialist Register 1976* (London: Merlin Press, 1976): 141–78; David Yaffe, "The Marxian Theory of Crisis, Capital and the State," *Economy and Society* 2, no. 2 (1973): 186–232; Paul Mattick, *Marx and Keynes* (Boston: P. Sargent, 1969).
7. It is often forgotten that Marxian contributions to crisis theory after Marx (including Engels) rarely focused on the falling rate of profit theory. Rather, the debates involving thinkers like Tugan-Baranovsky, Kautsky, Luxemburg, Bukharin, Lenin, as well as most theorists in the post-First World War generation, were concerned with questions of disproportionality (from the standpoint of Marx's reproduction schemes) and realization crisis. Henryk Grossman was the leading exception to this rule. Hence, the resurrection of Marx's tendential law of the falling rate of profit in the 1970s constituted a break with earlier Marxist analyses. Marx himself, it has been shown, was increasingly unsatisfied with his uncompleted work on the falling rate of profit, and appeared to distance himself from this "tendential law" in his final writings. See Michael Heinrich, "Crisis Theory, the Law of the Tendency of the Rate of Profit to Fall, and Marx's Studies in the 1870s," *Monthly Review* 64, no. 11 (April 2013): 15–31.
8. Paul M. Sweezy, *The Present as History* (New York: Monthly Review Press, 1953), 111–19.
9. Josef Steindl, *Maturity and Stagnation in American Capitalism* (New York: Monthly Review Press, 1976; originally published in 1952). Kolko was a good friend of Paul Mattick and admired his work, but had made substantial use of Steindl's work in the development of his own magisterial analysis of the foundations of modern U.S. political economy. See Gabriel Kolko, *Main Currents in Modern American History* (New York: Harper and Row, 1976), 101–5, 406–7.
10. The fact that their analysis was in large part based on Kalecki and Steindl (but sought to enlarge the analysis by using the concept of surplus to address questions such as the roles played by the state and economic waste in the formation of the monopoly capitalist order as a whole) was emphasized by Baran and Sweezy, *Monopoly Capital*, 56.
11. John Bellamy Foster, "Is Monopoly Capitalism an Illusion?" *Monthly Review* 33, no. 4 (September 1981): 36–47. In 1989 I became a member of the board of directors of the Monthly Review Foundation along with the informal editorial committee.



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- Press, 1987).
43. Foster, *The Theory of Monopoly Capitalism*, 95. Here I also cited Magdoff and Sweezy's article on "Production and Finance" from the May 1983 issue of *Monthly Review*.
  44. Magdoff and Sweezy, *The End of Prosperity*, 33–53.
  45. See Robert Pollin, "Remembering Harry Magdoff," *Counterpunch*, January 6–8, 2006, <http://counterpunch.org>; see also Robert Pollin, *Counters of Descent* (London: Verso, 2003).
  46. See Harry Magdoff and Paul M. Sweezy, *The Irreversible Crisis* (New York: Monthly Review Press, 1988). Hyman Minsky too was affected by the 1987 Stock Market Crash, which caused him to introduce his notion of "money-market capitalism" in 1989 (in a volume to which I also contributed); see Hyman P. Minsky, "Financial Crises and the Evolution of Capitalism," in Mark Gottfried and Nicos Kominos, eds., *Capitalist Development and Crisis Theory* (London: Macmillan, 1989), 391–403. Some parts of a new theory of financialization, it should be noted, had already been articulated by Magdoff and Sweezy in their article "Production and Finance" as early as 1983. See Magdoff and Sweezy, *Stagnation and the Financial Explosion*, 93–105.
  47. Paul M. Sweezy, "The Triumph of Financial Capital," *Monthly Review* 46, no. 2 (June 1994): 7–8.
  48. *Ibid.*, 9–10. To the extent that this was a straightforward shift in power to financial capital this could be seen in the changing locus of wealth generation within the capitalist class itself. This issue was taken up in John Bellamy Foster and Hannah Holleman, "The Financial Power Elite," *Monthly Review* 62, no. 1 (May 2010): 1–19.
  49. John Bellamy Foster, Harry Magdoff, and Robert W. McChesney, "Working-Class Households and the Burden of Debt," *Monthly Review* 52, no. 1 (May 2000): 1–11.
  50. John Bellamy Foster, Harry Magdoff, and Robert W. McChesney, "The New Economy: Myth and Reality," *Monthly Review* 52, no. 11 (April 2001): 1–15.
  51. John Bellamy Foster, Harry Magdoff, and Robert W. McChesney, "Crises: One After Another for the Life of the System," *Monthly Review* 54, no. 6 (November 2002): 48.
  52. John Bellamy Foster and Fred Magdoff, *The Great Financial Crisis* (New York: Monthly Review Press, 2009).
  53. John Bellamy Foster and Robert W. McChesney, *The Endless Crisis: How Monopoly-Finance Capital Produces Stagnation and Upheaval from the USA to China* (New York: Monthly Review Press, 2012).
  54. Sweezy, "Monopoly Capital After Twenty-Five Years," 53.
  55. Foster and McChesney, *The Endless Crisis*, 71, 76–77.
  56. Some critics such as M.C. Howard and J.E. King have argued, against Baran and Sweezy, that international competition invalidated their argument: "The 'degree of monopoly' in many industries," they write, "should be measured on a global rather than a purely national scale, given the post-war liberalisation of trade and capital flows, and the continuous and growing pressure of international competition. On these arguments 'monopoly capital' is an illusion." Howard and King, *A History of Marxian Economics*, vol. 2, 123. One might reply, however, that the internationalization of monopoly capital with the rapid oligopolization of the world economy is primarily a result of the growth of multinational (or transnational) corporations—a phenomenon that was highlighted early on in the analysis of Baran, Sweezy, Magdoff, and Hyman. From this standpoint, the problem with Howard and King's criticism is that their argument with respect to international influences is *not international enough*. While the notion of "the growing pressure of international competition" appears to be the dominant reality from the very limited standpoint of any given national economy, this is in reality a *global phenomenon affecting all countries alike* and representing the concentration and centralization of capital on a world scale. After all, the battle at the global level is a fight between world-straddling mega-corporations. The result is that fewer and fewer firms come to dominate larger and larger portions of the global economy, increasing the global degree of monopoly.
  57. Research Unit for Political Economy, "On the History of Imperialism Theory," *Monthly Review* 59, no. 7 (December 2007): 42–50.
  58. Angus Maddison, *The World Economy: A Millennial Perspective* (Paris: Development Centre, OECD, 2001), 125–26; John Bellamy Foster, "The Imperialist World System," *Monthly Review* 59, no. 1 (May 2007): 10–14.
  59. These lines are taken word for word from Fred Magdoff and John Bellamy Foster, *What Every Environmentalist Needs to Know About Capitalism* (New York: Monthly Review Press, 2011), 65. (Empirical analysis was done with the help of R. Jamil Jonna.) On the original data see: UNCTADstat, "Nominal and Real GDP, Total and Per Capita, Annual, 1970–2009 (US Dollars at constant prices [2005] and constant exchange rates [2005])" and "Total Population, Annual, 1950–2005," <http://unctadstat.org>. UNCTAD provides aggregate GDP per capita data for the G8, but the series is discontinuous because data for Russia are only available from 1992 to the present. For the G7 figures, Russia was excluded and GDP per capita was manually calculated using total GDP and population. Today the Least Development Countries, as designated by the United Nations, include thirty-three in Africa, fourteen in Asia, and one Latin America and the Caribbean.
  60. World Bank, *2008 World Development Index*, 4, <http://data.worldbank.org>. This index is unusual in that it

- combines measures of inequality within countries with measures of inequality between countries (using producer price parities) in order to develop estimates of the share of consumption by world income deciles. See also Fred Magdoff, "Global Resource Depletion," *Monthly Review* 64, no. 8 (January 2013): 23–34.
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  70. John Bellamy Foster, "The Renewing of Socialism," *Monthly Review* 57, no. 3 (July–August 2005): 1–18.
  71. István Mészáros, *Beyond Capital* (New York: Monthly Review Press, 1995). See also Michael A. Lebowitz, *The Contradictions of Real Socialism* (New York: Monthly Review Press, 2012).
  72. This was precisely what Daniel Singer had called for in *Whose Millennium: Theirs or Ours?* (New York: Monthly Review Press, 1999).
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  75. Robert W. McChesney, *Rich Media, Poor Democracy* (New York: New Press, 1999); *Communication Revolution* (New York: New Press, 2007); *The Political Economy of the Media* (New York: Monthly Review Press, 2008); and *Digital Disconnect* (New York: New Press, 2013). See also Edward S. Herman and Robert W. McChesney, *The Global Media: The New Missionaries of Global Capitalism* (London: Cassell, 1997).
  76. Bill Gates, *The Road Ahead* (New York: Viking, 1995), 241–42.
  77. McChesney, *Digital Disconnect*, 232.
  78. See Charles H. Anderson, *The Sociology of Survival* (Homewood, IL: Dorsey Press, 1976); Allan Schnaiberg, *The Environment: From Surplus to Scarcity* (New York: Oxford University Press, 1980).
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Commentary from

## Monthly Review

July-August 2013, Vol.65, No.3

***An Independent Socialist Magazine Founded in 1949***

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*A Note from Bob McChesney.* This could be retitled "Notes from a Former Editor" as I served with John Bellamy Foster, Harry Magdoff, and Paul Sweezy as one of MR's coeditors from 2000–2004. I stepped down from the post to devote more time to activism around media and communication issues. Regular readers know that I have continued as a contributor over the past nine years, and this issue's Introduction marks my eighteenth article in the magazine since 2008. Most of those, like the one herein, were written with Foster.

Most of my research and activism has centered on the political economy of communication. With the increasing importance of media to everyday life and the exercise of power, as well as the digital revolution, there is growing and considerable interest in the area. That the work specifically translates into crucial political fights elevates its importance.

Nowhere is that more true today than in Latin America where the survival of popular politics depends to no small extent on how the raging media battles are resolved. "I believe that better than constructing roads, hospitals, and schools is to construct the truth. Lies have destroyed Latin America," Ecuador's President Rafael Correa said in a May 2013 interview. "I think one of the main problems around the world is that there are private networks in the communication business, for-profit business providing public information, which is very important for society. It is a fundamental contradiction." ("Ecuador's President Attacks US Over Press Freedom Critique," TheRealNews.com, May 21, 2013).

During my time as coeditor, communication colleagues would sometimes wonder what I was doing at MR. After all, I was a media scholar, and MR was many things, but it was not a magazine known for its work on



communication. I explained the singular importance of the *MR* tradition, of the work of Sweezy, Magdoff, Leo Huberman, and Paul Baran, in my intellectual and political development. I also explained the importance of the *MR* work on advertising, monopoly, and technology in developing a radical critique of media and communication. But I had to concede the point, nonetheless.

Imagine my surprise, then, when Foster informed me two years ago that two drafts of a missing chapter of Baran and Sweezy's magisterial *Monopoly Capital* (1966) had been discovered in their papers. Not only that, it was a chapter on media and culture. I was shocked, to say the least. Foster provided me with the backstory: it was meant to be the penultimate chapter of the book, but when Baran died in 1964, Sweezy elected to leave it out (after doing additional work on it) as the book was already quite long and there remained unresolved issues with it.

As soon as I read the manuscript, I knew it had to be published. But what was media and culture doing playing such a prominent role in their signature work of political economy? As fate would have it, I had just come across a largely unknown and extraordinary pamphlet from 1962 by the British Raymond Williams on the need for a radical politics of communication to become a main part of socialist politics. I knew that Williams considered himself close to *Monthly Review* and was writing for it at the time. I could find common themes in the two works. It seemed like there was smoke, but was there fire?

Foster and I then spent many months on an intellectual odyssey which revealed that a rather sizable cohort of radical intellectuals were pursuing similar themes in the late 1950s and early '60s on the importance of media and communication. They investigated the centrality of the "cultural apparatus" (as they sometimes referred to it) to understanding the nature of modern capitalist societies, to developing effective strategies for socialist politics, and, most intriguing, to offering a vision for the constituent elements of a non-capitalist and post-capitalist democratic-socialist media system. It was the sort of unflagging criticism of capitalist media and the actually existing communist media systems that would be embraced by the New Left.

Besides Baran, Sweezy, and Williams, some of these figures included C. Wright Mills, Herbert Marcuse, Ralph Miliband, and E.P. Thompson. We even discovered a powerful critique of the Federal Communications Commission by Huberman and Sweezy that had appeared in *MR* in 1958 and was entirely unknown in the communication literature. We realized there was a significant body of work here that was largely unknown to scholars of the left or of media, so we decided to publish some of it along with the missing Baran-Sweezy chapter in this summer issue.

As readers will see, we believe this body of work is of significant value to

current political struggles, and to a real breakthrough in how we think about post-capitalist social formations. For Ecuador's Correa the solution is clear: "There should be more public and community media, organizations that don't have that conflict between profits and social communication." It is not just that capitalism is incompatible with a decentralized, uncensored, well-funded, open, nonprofit, and noncommercial media system—i.e., a communication system meant to empower people. More to the point any socialism worthy of the name must veer strongly in that direction or give up the fight for a better world.



While *MR*'s June special issue, "Public School Teachers Fighting Back," focusing on the national implications of the 2012 Chicago Teachers' Union strike, was still at the printer, the struggles of teachers once again hit the front page of newspapers throughout the United States. In late May 2013 the Chicago Public Schools announced that it would be shutting down fifty-four public schools, most of them serving the poorer, primarily minority districts of the city. A *Chicago Tribune* poll indicated that less than 20 percent of the population in the city agreed with the closure strategy (Educational International, "US: 50 Schools to Be Shut Down," May 30, 2013, <http://ei-ie.org>). The Chicago Teachers' Union unleashed three days of protests. Twenty-six protestors, including teachers, were arrested; over a hundred people were issued citations; students boycotted tests, while parents and community members came to the support of the teachers.

In Seattle nineteen high school teachers at Garfield High launched in January what is said to be the first boycott by teachers of standardized testing in U.S. history, directed against the computerized Measures of Academic Progress (MAPS) test. The movement spread to other schools in Seattle (and is being replicated across the country), drawing massive support from students, parents, and community members. On May 13, 2013, the Seattle Schools Superintendent announced that high schools could opt out of the test, constituting a resounding victory for the Seattle community. Five hundred school boards in Texas—and others in Florida—have now passed resolutions favoring reduced use of standardized tests. Clearly, the battle against the privatization and corporate takeover of K–12 education in the United States is now in full swing.

Those interested in organizing around this question can purchase bulk orders of *MR*'s "teachers fight back" issue at <http://monthlyreview.org/press/backissues/mr-065-02-2013-06> or over the phone at 212-691-2555. In addition, we would like to announce the publication by Monthly Review Press of Henry A. Giroux's important new book, *America's Education Deficit and the War on Youth*, which is available for \$16.95 (plus postage) at <http://monthlyreview.org/press>.



*Continued from inside front cover*

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meaningful, the first condition is that reasonably accurate information must be available.

But the ground realities show that the ingredients of meaningful democracy are in very poor shape. To be sure, official documents do not admit this. For example, in the case of literacy—a relevant element if it is to be assumed that electors are making informed choices based on print sources—the Census figure for literacy is 65.4 per cent of the population aged seven and above. However, this figure merely reflects the replies given by households to the question “How many persons in the household are literate?” It does not reflect whether they actually are able to read. A study by the Indian Institute of Management, Ahmedabad, carried out in four Hindi-speaking states (Rajasthan, U.P., M.P., and Bihar) compared the responses to queries using the Census approach with the results of a reading test. By the Census approach literacy of the 20,000 sample was 68.7 per cent; but by the reading test, only 26 per cent could read properly. Another 27 per cent could read only parts of the test material, or took recourse to sounding syllables before putting together words. The remaining 47 per cent could not read at all. This qualifies the importance of the raw number of publications, which is indeed by world standards substantial. As per the Registrar of Newspapers for India, the total number of registered publications as on 31st March 2011 was 82,222, which includes 14,508 newspapers. From a geographical perspective, the largest number of publications – 13,065 were registered in the state of Uttar Pradesh followed by 10,606 in Delhi.

Increasingly critical are radio and television. Radio blankets the nation. In case of TV channels, MIB has as on 20.12.2012, permitted 848 TV channels. As per an industry report, total TV households in India were estimated to be 15.5 Crore at the end of year 2012. Assuming that each household consists of 4 adult members, the reach of television is around 62 Crore. Thus, the reach of the television media in the total population of the country—in view of the literacy figures set out above—now exceeds print. Digital media as a source of information is still limited to a relatively privileged minority, and primarily reflects information generated by print and television.

The crude total number of publications, radio stations and television channels, might give an impression that the mass media do fulfill the preliminary conditions for democracy. But in fact it is reasonable to say that the mass media is dominated by less than a hundred large groups or conglomerates, which exercise considerable influence on what is read, heard, and watched. The propaganda power of media barons is the crucial fact that confronts all justifications of our political reality on grounds of “democracy”.

In addition, a large section of people believe that journalists can not only highlight their problems, but can also redress them. In the struggle for social justice, we must therefore face the problem of the media right from the start.

Robert W. McChesney has rightly said that "(t)he problem of the media exists in all societies, regardless of their structure. A society does not approach the problem with a blank page, but the range of options is influenced by the political economic structure, cultural traditions, and the available communication technologies, among other things.... Media are at the center of struggles for power and control in any society, and this is arguably even more the case in democratic nations, where the issue is more up for grabs." This central problem of the media, especially after adoption of neo-liberal policies by the ruling clique, cannot be understood if delinked from political economy.

In this context, of importance is the report submitted by the Standing Committee on Information Technology to the Parliament in May 2013 on "Paid News". The introduction sets out that "[t]he trend of presenting the advertising content, that is paid for, as "News" is a serious and damaging fraud on the innocent audiences/readers/viewers/public. It not only undermines/threatens the democratic process but also affects financial/stock/real estate market, health, industry and is also a tax fraud. However, according to the News Broadcasters Association it is just a question of ethics." Quoting from the Press Council of India (PCI) Sub-Committee Report outlining the genesis of "Medianet" and "Private Treaties" phenomena— "In the 1980s...the rules of the Indian media game began to change. Besides initiating cut-throat cover-price competition, marketing was used creatively to make Bennett, Coleman Company Limited (BCCL) one of the most profitable media conglomerates in the country....The media phenomenon that has caused considerable outrage of late has been BCCL's 2003 decision to start a "paid content" service called Medianet, which, for a price, openly offers to send journalists to cover product launches or personality-related events....Besides Medianet, BCCL devised another "innovative" marketing and PR strategy. "The Private Treaties" scheme pioneered in the Indian media by BCCL involves giving advertising space to private corporate entities/advertisers in exchange for equity investment – the company officially denies that it also provides favourable editorial coverage to its "private treaty" clients and/or blacks out adverse comment against its clients." The Sub-Committee Report said: "At the end of 2007, the media company boasted of investments in 140 companies in aviation, media, retail and entertainment, among other sectors, valued at an estimated Rs 1,500 crore. According to an interview given by a senior BCCL representative to a website (medianama.com) in July 2008, the company had between 175 and

200 private treaty clients with an average deal size of between Rs 15 crore and Rs 20 crore implying an aggregate investment that could vary between Rs 2,600 crore and Rs 4,000 crore.... In advertisements published in the *Economic Times* and the *Times of India* celebrating the success of the group's private treaties, on December 4, 2009, the Mumbai edition of the newspapers published a half-page colour advertisement titled —"How to perform the Great Indian Rope Trick" and cited the case of Pantaloon. What was being referred was how Pantaloon's strategic partnership with the TOI group had paid off. The advertisement read: —...with the added advantage of being a media house, Times Private Treaties, went beyond the usual role of an investor by not straining the partner's cash flows. It was because of the unparalleled advertising muscle of India's leading media conglomerate. As Pantaloon furiously expanded, Times Private Treaties (TPT) ensured that (it) was never short on demand. The TPT has a better phrase for it — business sense."

On July 15, 2009, Shri S. Ramann, Officer on Special Duty, Integrated Surveillance Department of the Securities and Exchange Board of India (SEBI) wrote to the Chairman, Press Council of India, Justice G.N. Ray, observing that many media companies were entering into agreements called "private treaties" with companies whose equity shares are listed on stock exchanges or companies that were coming out with a public offer of their shares. The media companies were picking up stakes in such companies and in return, were proving coverage through advertisements, news reports and editorials. The PCI is a quasi-judicial body with no punitive powers.

TRAI's "Consultation Paper on Issues relating to Media Ownership" noted that "a number of corporate sector entities are entering the media sector. Corporates can use media to bias views and influence policy making in a manner so as to promote their vested interests while generating business revenues for themselves. This has led to emergence of large media conglomerates where single entities/groups have strong presence across different media segments." The groups listed are Sun TV, Essel Group, Star India, Ushodaya (Eenadu), India Today, The Times Group, HT Media, ABP Group, Bhaskar Group, Jagran Prakashan, Sakkal Media, Malayala, Manorama Group, D.B. Corporation Group, Anil Dhirubhai Ambani Group and Asianet Communications.

Some recent deals merit attention. On January 3 2012, the Mukesh Ambani-led Reliance Industries Limited (RIL) — India's biggest privately-owned corporate entity with a turnover of Rs. 2,58,651 crore in the financial year that ended on March 31, 2011—announced that it was entering into a complex, multi-layered financial arrangement that involved selling of its interests in the Andhra Pradesh-based *Eenadu* group founded by Ramoji Rao to the Network 18 group headed by Raghav Bahl and also funding the



latter through a rights issue of shares. The deal will make the combined conglomerate India's biggest media group, according to Bahl—bigger than media groups such as STAR controlled by Rupert Murdoch, and BCCL controlled by the Jain family.

On May 19, 2012, the Aditya Birla group announced that it had acquired a 27.5 per cent stake in Living Media India Limited, a company headed by Aroon Purie. Living Media acts as a holding company and also owns 57.46 per cent in TV Today Network, the listed company that controls the group's television channels (Aaj Tak and Headlines Today) and a host of publications (including *India Today*). On December 21, 2012, Oswal Green Tech, formerly Oswal Chemicals & Fertilizers, acquired a 14.17 per cent shareholding in New Delhi Television in two separate block deals from the investment arms of Merrill Lynch and Nomura Capital.

According to research conducted by Dilip Mandal and R. Anuradha, published in *Media Ethics* (Oxford University Press, 2011), the boards of directors of a number of media companies now include (or have included in the past) representatives of big corporate entities that are advertisers. The board of Jagran Publications has had the managing director (MD) of Pantaloon Retail, Kishore Biyani, McDonald India's MD Vikram Bakshi, and leather-maker Mirza International's MD Rashid Mirza, and also the CEO of media consulting firm Lodestar Universal India, Shashidhar Sinha, and the chairman of the real estate firm JLL Meghraj, Anuj Puri. The board of directors of HT Media, publishers of *Hindustan Times* and *Hindustan*, has included the former chairman of Ernst & Young K. N. Memani and the chairman of ITC Ltd Y C Deveshwar. Joint MD of Bharti Enterprise Rajan Bharti and MD of Anika International Anil Vig are a part of the *TV Today*'s Board of Directors. The board of directors of DB Corp (that publishes *Dainik Bhaskar*) includes the head of Piramal Enterprises Group, Ajay Piramal, the MD of Warburg Pincus, Nitin Malhan, and the executive chairman of advertising firm Ogilvy & Mather, Piyush Pandey. NDTV's Board of Directors has Pramod Bhasin, President & CEO of the country's biggest BPO company GenPact as a member of its board of directors.

Regarding content, separate study is needed but a few points may be noted. In the case of India, media empires have had to adjust their strategies to suit the Indian context. The Murdoch STAR TV realized that its mainly American oriented programming was only reaching a tiny, although wealthy, urban audience. It therefore started adding Hindi subtitles to Hollywood films broadcast on its 24-hour channel and dubbing popular U.S. soaps into Hindi. In October 1996, STAR Plus began telecasting programs in English and Hindi. In 1999, it claimed 19 million viewers in India and it has grown greatly since then. United States multinationals McDonalds, Domino's, Pizza Hut, KFC, Coca Cola and the like have extensively used the

information and communication technologies to promote their junk food culture, using popular personalities in India. Most of the Indian television space is now occupied by U.S. soap operas, reality shows and cartoons.

This grim reality of control of all but marginal media by a small group of corporate plutocrats, combined with programming in which the superiority of U.S. cultural imperialism is an ever present tacit assumption, is presented as freedom of press. We also want freedom of press but in a totally opposite and higher sense. To quote Marx—"The free press is the omnipresent open eye of the spirit of the people, the embodied confidence of a people in itself, the articulate bond that ties the individual to the state and the world, the incorporated culture which transfigures material struggles into intellectual struggles and idealizes its raw material shape. It is the ruthless confession of a people to itself, and self-viewing is the first condition of wisdom. It is the mind of the state that can be peddled in every cottage, cheaper than natural gas. It is universal, omnipresent, omniscient. It is the ideal world, which constantly gushes from the real one and streams back to it ever richer and animated anew." Marx opposed state censorship categorically. Concurrently, Marx was aware from the outset that the existence of a free press under the regime of private property was in jeopardy as a result of its being turned into a business. "The first freedom of the press consists in it not being a trade...But is the press true to its nature, does it act according to the nobility of its nature, is it free, if it is degraded to a trade? The writer, to be sure, must earn a living in order to exist and be able to write, but he must in no way exist and write in order to earn a living."

News media markets have invariably tended toward concentration in the hands of the largest owners of capital as is the present trend in India, have afforded the owners tremendous political power, and tended to marginalize the voices and interests of the poor and working class. The life and death struggle of the poorest, of tribals, of desperate indebted small owners, of brave but propertyless community activists against the imperialist corporate rape of the environment in which they live such as the POSCO struggle, are near absent. What is most relevant to the lives of the majority does not appear. Under these circumstances the claim to be the "largest democracy" amounts to fraud.

To curb the corruption in Indian media, the Parliamentary report has recommended a number of steps but the question of free press has not been addressed. This is a vital question which needs to be immediately debated and discussed. Robert W. McChesney in the concluding paragraph of his paper "A Real Media Utopia", 2012 presented at the Annual Conference of the American Sociological Association usefully sets out—"Nations without a quality free press are prone to what has been termed "crony capitalism" ... in the realm of really existing capitalism the highest priority appears to be the

## EDITORIAL

protection and promotion of profit-maximization (and those who immediately benefit from profit maximization) about all else, crony-style or not. At any rate, media struggles will be inextricably linked with battles over the nature of the economy going forward.” Both for those who believe that Indian democracy can yet be brought back from terminal decay, and those who believe the struggle must move on to new and higher forms of democracy, understanding, confronting, and changing the reality of media in India is an immediate necessity.



Karl Marx devoted a large part of his life to journalism. He and Engels wrote over 800 newspaper articles, and published in some the most important newspapers of their day. Marx's most important journalistic period was from 1842-1849 when he was an editor and fighting journalist in Germany, and forced to confront issues of censorship and press freedom. He was arrested numerous times for his journalistic activities. This was Marx's principal occupation from 1842 until 1849, ending with his departure for London in 1849 at the age of 31 following the defeat of the 1848 revolutions. This did not end Marx's relation to however. Marx wrote for ten years (1851-1861) for the New York Daily Tribune (or New York Tribune), one of the leading newspapers in the United States, with a circulation as high as 250,000 during this period. It was the paper of Horace Greeley (founder and publisher) and Charles Dana (managing editor). Marx authored 356 articles as European Correspondent for the Tribune and co-authored 12 with Engels.

Robert W. McChesney, *“A Real Media Utopia”*, 2012

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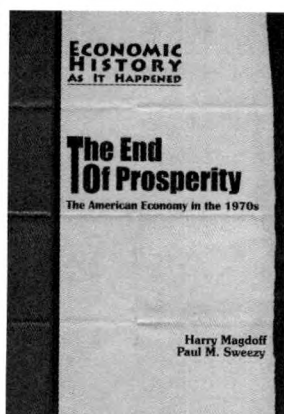
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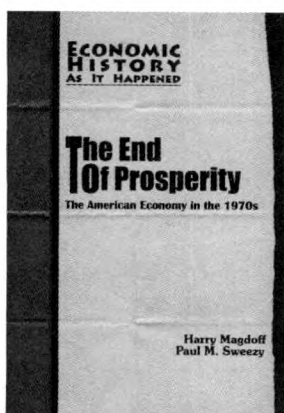
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